"Can You Afford to Die?"—A New Series, See Page 5

THE FINANCIAL POST

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The Nation's Business

Too Many Offices Collecting Customs

Opens Door for Widespread Smuggling

Euler Has Big Job to Close Many

What Business Asks

DOWN in Nova Scotia there is a spot on the map known as West Arichat. Only a few dozen people ever heard of West Arichat. But West Arichat is a customs preventive station; one of 681 ports, outports or preventive stations in Canada. In the year 1925, West Arichat collected $2.31 in customs duties and 50 cents in excise taxes. Three import shipments were made into the hamlet and three times during the year the formality of making out customs entries was gone through in West Arichat.

What did it cost Canada to collect that $2.81? It cost $201.73 in direct expenses at West Arichat, without counting a cent for admistrative expense at Ottawa. Of this, $200 went to the local enforcement officer. He spent $1.73 in postage. Canada paid nearly 10,000 per cent. to collect that $2.81.

An isolated case? Not at all. Canada has 681 places where customs duties may be paid. Great Britain has 80. The United States has 270. Australia has eight.

* * *

ONE of the recommendations made to parliamentary committee that investigated the department of customs and excise last year was that the number of ports be drastically reduced. Taking the recommendations more or less seriously, the committee recommended that the number of ports be reduced; nothing was said about reducing them drastically.

The number of ports has not been seriously reduced. Recommendation has again been made by business men through the commercial Preventive Association that they be reduced as a bar to smuggling and in the interests of economy. Hon. W. D. Euler will probably carry out the recommendation. He is not going to do it without a fight. Local politics will enter into the situation.

It is essential that good citizens of Canada realize the dangers that lurk in our present multiplicity of customs collection stations, ports, outports and preventive stations, and back the minister of customs in any measures he may take to reduce the number of ports drastically.

* * *

WEST ARICHAT is not the only customs collection station in Canada that is not paying its way.

In Ontario, the little village of Newcastle is an outport. Newcastle was once a prosperous community. The Massey Harris Company started operations there. Crosslake boats used to run to American points. There was a busy harbor. To-day Newcastle is a sleepy village with rotting piers a stone waste where the grist mill stood and only a community hall to remind it of the Massey days. Newcastle collected $25.91 in customs and excise revenues in 1925. There was not a dollar of it that could not have been collected just as well at Bowmanville or for that matter at Oshawa if Bowmanville were closed up as a customs port. What it cost to collect we do not know but it must have cost more than $25.91.

There is Timagimi that collected $37.78 at a cost of $162.68. And there are Oshawa and Whitby, almost touching each other, each with a full fledged customs personnel. Oshawa costs $19,278 to operate as a customs port. Whitby costs $2,100. The two offices could profitably be merged.

* * *

RECENTLY in testifying before the Royal Commission investigating customs and excise administration, R. P. Sparks, of Ottawa, chairman of the Commercial Protective Association, presented a table which showed that of the 681 customs ports in Canada less than one-quarter—or 150 collected 98 per cent. of the total customs and excise revenue of the Dominion. If the entire 531 other ports were abolished only 2 per cent. of the people bringing goods into Canada would be shown any additional inconvenience of any nature whatsoever. Costs of administration would be enormously reduced and the efficiency of the service in preventing smuggling greatly increased.

As a matter of fact there are 70

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CABLES FOR MORE MONEY TO INVEST IN THIS COUNTRY

A. Emil Davies, Who Attacked Canada, is Now Convinced

"TURNED THE CORNER"

So British Financier and Editor Characterizes Canada After Seeing It Again

This week Canada has an interesting visitor in A. Emil Davies, chairman of a number of British investment trusts, writer of numerous books on economic and financial subjects, and member of the London County Council.

Mr. Davies is the author of "Investments Abroad," a recently published book that rather succinctly and finally condemned Canada as a field for investment. Extracts from the book were given not long ago in The Financial Post.

Is Investing in Canada

In his book Mr. Davies was sweeping and all-embracing in his apparent hostility to Canada. In practice Mr. Davies has very different ideas on Canada which suggest that his book leaves, insofar as Canada is concerned, an impression he did not intend to convey. As a matter of fact, Mr. Davies has given his publishers, following the Post's protests, a revised description of Canada as a field for Canadian investment.

The various trusts that Mr. Davies manages have at the present time about $100,000 invested in Canada. Mr. Davies made a hurried visit to this continent this month, to invest some money in the United States and $50,000 in Canada. Since coming to Canada, he has cabled home for another $50,000, which he will place in Canadian securities. In other words he is doubling the Canadian investment of his trusts. Industrials, power and other securities are included in Mr. Davies' purchases.

Canada Has Turned Corner

Speaking to The Financial Post, Mr. Davies said: "I think that indicates that I am now convinced that Canada has turned the corner and has genuine prosperity ahead of it."

Nevertheless, Mr. Davies feels that the attitude of British finance towards Canada is one of complete hostility. "I never agreed with the British financier on his attitude on the Grand Trunk. From the start I contended that the Dominion government was under no obligation to pay anything whatever to Grand Trunk shareholders. But the British investor has lost so much money in Canada, whether through his own fault or through the fault of Canadian promoters or both, that London financiers are distinctly critical and unfriendly."

Is Labor Representative

Mr. Davies is a somewhat unusual and most interesting individual. He sits in the London County Council as the representative of labor. Being in opposition he occupies no official position except that he is one of the committee of three that handles the finances of London. He has been financial editor of different British papers and is now financial editor of the New Statesman. He has written profusely on investment and financial subjects, most of his works being informative guides to small investors. He was for eleven years general manager of the British, Foreign and Colonial Forporation of which he was joint founder, retiring to specialize in investment trusts. His chief investment trust is a co-operative investment trust organized, quite altruistically, to provide a medium for investment for small people. The trust has grown to such size however, that it is now Mr. Davis' chief interest and a second co-operative trust has been organized for those who have reached the legal limit of their investments in the first trust. There are some 3,000 investors in the co-operative trust. Their holdings are limited to £200 and the average holding is £60. Dividends are paid at the rate of 7 per cent. per annum.

Aggregate resources of Mr. Davies' companies are over $6,000,000.

Mercury Mills Bonds

Mercury Mills, Hamilton, has reduced its bonded indebtedness to $736,000, through the operation of sinking fund. An issue of $800,000 6½ per cent. first mortgage twenty-year bonds was made in May, 1926. Stock in Mercury Mills is closely held.

Most Customs Stations Collect Little Revenue

Total customs and excise revenue collected during the fiscal year ended March 31, 1925 .... $249,759,098.23
10 largest ports collected $185,124,838.34 of total or 74.12%
50 " " " $230,117,566.97 " " " 92.17%
100 " " " $240,853,527.35 " " " 96.43%
150 " " " $244,554,951.42 " " " 97.91%
Total number of ports, outports and preventive stations at which revenue was collected during fiscal year ended March 31, 1925 681
150 largest collected .... 97.91% of total
Balance of 531 collected .... 2.09% of total

C. S. L. Ensigns Are Now Aloft

From Our Own Correspondent.

MONTREAL.—From the foremast trucks of all its freight ships, the house flag of the Canada Steamship Lines is gaily waving two weeks earlier this year than last. All the passenger vessels will begin to operate soon and the company has made a decidedly auspicious start to its season. Large quantities of grain are awaiting shipment at the head of the lakes and the season, as far as can be anticipated, promises to be the best which the company has ever experienced. In 1926 it was not until May 5 that all the freight vessels began to operate—the two weeks extra business this year should make itself felt in the income account.

WESTINGHOUSE MELON SECOND IN TEN YEARS

Payment of $2,229,870 Will Leave Big Sum in Treasury

Shareholders of Canadian Westinghouse Co. will receive $2,229,870 in cash when the 30 per cent. dividend. announced this week, is paid June 20, to shareholders of record May 20. In addition, the shareholders will receive the right to subscribe at par for $1,986,600 of new stock of the par value of $100. Holders will be privileged to buy one new share at par for each five shares held.

Value of these rights is difficult to determine in view of the fact that the stock is not listed and is an investment stock with few recorded trades in the course of a year. In the present stock market, stocks of equal merit are selling at twice the par value on the basis of the normal dividend of 10 per cent. annually. Assuming that the company will continue the annual dividends of 10 per cent. on the new capitalization of $9,419,500, the rights conferred by the sale of new stock at par are worth at least $20 per share.

Not U. S. Practice

There is no official explanation as to the reason the company decided to pay an extra dividend in cash and then offer shareholders the right to subscribe for new capital. In the United States the invariable practice, where a company can afford to finance expansion out of earnings, is to declare a stock dividend. The United States Supreme Court has ruled that

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Lethbridge Nor. District Draws Interest of U.S.

Interest in irrigation development in Alberta in recent years has been focused upon the Lethbridge Northern Irrigation District, a tract of 105,000 acres of irrigable land just north of the city of Lethbridge and stretching east and west from the Little Bow river at Turin to Macleod. The headworks of canal system lie some eight miles to the west of the historic town of Macleod on the Old Man river, the source of water supply.

Settlers Demanded Water

The Lethbridge Northern project, it may be recalled, was undertaken in consequence of a sustained demand on the part of the settlers of the area for water. Year after year they had endured crop failures through drought. With their lands foul with weeds, their credit exhausted and their morale shattered, these men went to the government asking for help. They were backed up by the Lethbridge Board of Trade, and through united, unflagging effort an irrigation district was formed under the Alberta Irrigation Districts act. Officers were elected, bonds bearing the guarantee of the province of Alberta were sold to the extent of five and a half million dollars, and the canal system was built. The water was turned into the canal in 1924 and the project has been operating under irrigation conditions since that year.

Shows Way to Americans

All things considered, the Lethbridge Northern has shown remarkable progress. In fact, its development in three years forms a striking chapter in the reclamation history of Western America, and experts in land settlement from the United States and abroad have been attracted to it and have made a study of its policy for the interests they represented. Its uniqueness—a scheme of colonization undertaken by the state to save an agricultural enterprise from disaster—has particularly appealed to the Americans for they are grappling with similar difficulties in connection with federal irrigation projects in the west and southwest.

On page 3 of this issue, a summary of operations of the Lethbridge Northern operations in the last two years is given.

Steam Motor Shareholders Move to Oust O. J. Brooks from Control of Company

FIGHT IS LIKELY TO CENTRE OVER PREFERRED VOTE

F. W. Wegenast Claims Stock Has Right After Two Non-Dividend Years

O. J. ARGUES AGAINST

Stock Certificate Reads Somewhat Differently from Charter as to Rights—May be Court Battle

F. W. Wegenast, solicitor for a group of shareholders in Brooks Steam Motors, announced at the meeting April 22, that the preferred shareholders would be entitled to vote at the annual meeting April 29.

O. J. Brooks, president of the company, said that the preferred would have no votes and quoted the stock certificate in support of his statement. The stock certificate reads that the preferred shall not have voting power unless the dividends are "in arrears" for four consecutive half-yearly periods.

But the stock certificate does not copy exactly the provisions of the issuance of preferred shares which are contained in the company's charter. The company's charter governs.

May be Court Fight

The preferred stock of Brooks Steam Motors is not cumulative until the first payment has been made. For this reason there are no arrears of dividends because no dividends have been authorized or paid. But the charter says that the preferred shall have voting power when dividends have not been paid for four consecutive half-yearly periods. Brooks salesmen have been selling Brooks Steam Motors stock for four years. It is argued that the fact that there are no arrears of dividends does not alter the fact that none has been paid for four half-yearly periods, and that, for this reason, the preferred has voting power.

It may be a question for the courts to determine whether all the preferred will have voting power, as the charter does not make clear whether the half-yearly periods began with the organization of the company, the initial underwriting of the stock by Brooks Securities, the beginning of payments by subscribers or only when the shares have been finally acquired by the purchasers.

A contest is anticipated with respect to the voting rights of the preferred.

Injunction is Granted

Justice Kelly in Toronto has granted an injunction, returnable May 2nd., restraining the directors of Brooks Steam Motors from transferring any assets of the company. The writ was issued by F. W. Wegenast, barrister, in behalf of E. H. Tucker, a shareholder in the company.

Two other injunctions are sought by Mr. Wegenast, acting in behalf of shareholders who have lost confidence in the management of Brooks Steam Motors. One writ is to set aside the agreement whereby O. J. Brooks acquired the common stock of the Brooks Steam Motors, Dominion company. The other seeks to have set aside an agreement whereby Brooks Securities, Ltd., and Banking Service, Ltd., acquired preferred stock of Brooks Steam Motors to the par value of $700,000.

The original Brooks Steam Motors

(Continued on page 9)

Man Who Persuaded 8,000 Canadians to Speculate in Steam

O. J. BROOKS.

BROOKS TACITLY ADMITS COMPANY HAS SLIM CHANCE

Changes Opinion After Salesmen's Glowing Promises Over Four Years

In an interview in O. J. Brook's office, it was suggested to Mr. Brooks that the development expense of Brooks Steam Motors, now running close to $250,000 annually, should be met out of profits. It was pointed out that continuance of the present system will impair capital further.

"But there are no profits," said Mr. Brooks, pointing to the balance sheet.

This is the end of the promises continually made by salesmen of Brooks Motors stock that the factory soon would be on a production basis. "A production basis" means a profitable basis.

To Lean on Buffalo

The Buffalo company, says Mr. Brooks, will carry on from where the Canadian company leaves off. That, if the Canadian company is to be compensated adequately for whatever patent or other assets are to be handed over to the Buffalo company, is all right so far as it goes. Probably the Canadian company needs an American company on which to lean.

But it is well to recall at this time that not until most of the stock has been sold in this "all-Canadian automobile company" has it been discovered by Mr. Brooks that an American company is needed to carry the development and engineering expense. Shareholders have been told repeatedly that this "all-Canadian automobile company" would be successful in Canada. Mr. Brooks now tacitly admits that it cannot be successful. It must have an American connection.

Mr. Brooks and his salesmen have misled the public as to the prospects of success of a Canadian company manufacturing steam automobiles. It is sufficient to say that an error of judgment on the part of Mr. Brooks and his associates which has cost 8,000 Canadian shareholders millions of dollars, is just as harmful as if Mr. Brooks had misled the public deliberately in his glowing promises of high return from the manufacture of steam automobiles.

PROMOTER HOLDS USE OF ASSETS IN BUFFALO IS JUST

"Common Honesty," he Says, Will Assure Proper Compensation

NO STOCK FOR CANADA

Solicitor Reads Balance Sheet at Public Meeting—Suggests Steps to Conserve Remaining Capital

O. J. Brooks admits that he is intending to use assets of Brooks Steam Motors of Canada for the benefit of Brooks Steam Motors, Inc., of Buffalo.

There is no assurance that Brooks Steam Motors, owned by 8,000 Canadian shareholders, will have an interest in the Buffalo company as a parent company deriving revenue from a subsidiary. Yet the Buffalo company will manufacture a steam passenger car and a steam motor bus from designs developed at the Stratford, Ont., factory at a cost to the Canadian company of $675,615.

Honesty Supersedes Contract

As a substitute for a definite corporate relationship between Brooks Steam Motors of Stratford and Brooks Steam Motors of Buffalo, Mr. Brooks explained to a representative of The Financial Post on April 23 that "common honesty" would govern. He said that development of a United States company to serve a larger field would be to the advantage of a Canadian company in the purchase of supplies and in the assumption of the expense of development.

It was suggested to Mr. Brooks that the absence of a definite corporate relationship would be extraordinary and that without it there would be nothing to prevent the American company from selling material to the Canadian company at a profit and to prevent the American company from charging excessively for engineering services established originally at a great expense by the Canadian company.

"Common honesty," said Mr. Brooks, "would prevent that."

Brooks' New Helper

D. McCall White, it is announced in a "Special Brooks Bulletin" dated April 12, has been appointed assistant to the president of Brooks Steam Motors. This office, it is understood, corresponds to the office of general manager, until recently held by F. W. Dover.

Mr. Brooks showed letters from various automobile companies and prominent individuals which are good

(Continued on page 9)

Brooks Motors Assets Are Not Over Half Sum Put In

Eight thousand Canadians have put into Brooks Securities something like $3,125,000
Of this sum, there will reach Brooks Steam Motors only.... $1,875,000
Of the amount reaching Brooks Steam Motors there remains, under the most favorable interpretation of the 1926 balance sheet.... $1,348,710

Thus for every $2 put into this company by investors less than $1 remains. The company has produced less than 150 cars in three years, and has spent $348,000 selling $71,000 worth of cars.

O. J. Brooks says that "units" of stock have been sold at as low a price as $110. The Financial Post never has heard of any units being sold for less than $135. But accepting the average unit price of $125, the $25 represents a premium to Brooks Securities for every unit sold, since the company received no cash for its common stock.

In addition, Brooks Securities received $25 as commission for selling every ten shares of preferred. Thus the gross profit to Brooks Securities was not less than $50 per unit. Latterly the profit has been $60 per unit.

There have been 25,000 units sold by Brooks Steam Motors. Brooks Securities and its alter ego, Bankers' Service Co., have collected not less than $1,250,000 in four years for inducing 8,000 Canadians to make a bad investment.

And so far as has been determined, there is nothing to have prevented the sales organization from getting a second commission for reselling stock abandoned by original purchasers who repented of their folly.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Business Activity About 10 Per Cent. Greater Than in 1926
Large Iron and Steel Output Reflects Better Conditions
Anticipated Heavy Movement of Tourists Will Benefit Trade
Lumber Industry Showing Marked Signs of Improvement
Flour Exports Falling Off; Orient Demand Good

It is now possible to survey general business conditions during the first quarter of the current year on a more or less comprehensive basis. All recognized standards by which business activity is judged, have been favorable and it is evident that scale of operations are about 10 per cent. greater than they were at the corresponding period of last year. Certain industries which did not share in the general prosperity of 1926 have lately shown signs of picking up and though severe competition has ruled in most lines of business, profits resulting from operations have shown a healthy increase.

As was to be expected, judging from activity in construction and automobile industries, production of iron and steel during March registered a large increase over the preceding month and compares very favorably with the corresponding period of any year since 1920. Output of pig iron in March at 75,637 long tons showed a gain of almost 50 per cent. over the 50,695 tons in February and with the exception of an output of 77,290 tons in March, 1924, was the greatest tonnage reported for this month in the past six years. At the same time, production of steel ingots and castings followed pig iron trend by advancing to 107,381 tons in March, a gain of 93 per cent. over the output in February and 83 per cent. above the 58,675 tons reported for March a year ago.

March figures are the first definite indication that the iron and steel industry is swinging into line with allied industries. For many months, construction and automobile industries have reported gains, but the iron and steel industry has failed to keep pace. This was attributed to several causes, notably severe competition from the United States. It now appears evident that the Canadian industry is realizing to a fuller extent on the internal property. Although cumulative production in the first quarter is still less than in the same period a year ago, this difference should be made up very shortly provided that operations do not slow down.

Heavy Influx of Tourists Expected

Already the influx of tourists from the United States has started and everything points to 1927 being a record year, both in respect to volume and in the amount of money left in the country by visitors. Municipalities are fully aware of the importance of this trade and have made strenuous efforts through the publication of literature and other forms of propaganda to attract visitors to their respective localities. Moreover, change in the Ontario governmental policy in regard to the sale of liquor should have a stimulating effect on the tourist trade from the neighboring states. A large number of American societies have indicated their intention of holding their annual conventions in Canada and the city of Toronto alone has booked 127 conventions, with an estimated attendance of 119,000 people. It is conservatively estimated that these people will spend over $5,000,000 during their stay in Toronto.

Montreal, Quebec, Winnipeg, Vancouver and other cities have been active in securing conventions, while the railways have been extensively advertising in the United States the advantages which Canada offers the tourist, hunter, angler, etc. As a result, it is expected that outlay of money in this country by tourists during 1927 will exceed that of 1926 by at least 25 per cent. The effect of this on trade and business in general will be most pronounced.

After experiencing many ups and downs during the past two years, the lumber industry now appears to be in a healthy position and while the outlook is favorable, dealers are not expecting anything like a boom. The biggest outlet for lumber products, the construction industry, is more active than at any time since 1913 and 1914. During the past three months, 63 of the principal cities in the Dominion reported, with hardly an exception, that the value of building permits issued in their respective localities, was higher than in the same period last year. The majority of these permits were for residences, which assures that a large percentage of the total building costs will be expended on lumber supplies.

Export market has also been picking up strongly and the large manufacturers, both in the East and the West, have been receiving more inquiries for their products. While certain markets, like Egypt, which was a heavy buyer of railway ties from British Columbia a couple of years back, are still somewhat depressed, domestic requirements and demand from the United States, Japan and England, has been more active. Prices on the whole, are a shade higher than last year, largely due to the reduction in the cut. There is still keen competition among dealers, which will probably result in holding values from making any undue advances.

Flour Output Lower

Flour milling, on the other hand, is one of the key industries, which has failed to recover ground lost since the coal strike in England last May. European markets have been particularly dull for Canadian millers, not on account of any serious slump in demand but largely due to severe competition from American and German millers. Prospects of a good Argentine crop has caused Brazil and other South American markets to turn to that country for their flour supplies. The Orient, however, has been buying freely of Canadian millers and the head of one of the largest companies operating in Western Canada says that their mills are operating on a heavy schedule and will not accept contracts for delivery before next June.

Car Loadings Off

During the month of March, 1,228,813 barrels were exported, as against 1,302,092 barrels in March, 1926, and 748,499 in February of this year. The increase in exports, as compared with February, is accounted for partly by the fact that March is a longer month, while some orders which were booked during February were ground and shipped in March. Cumulative exports for the eight months ended March, 1927, are not so favorable, the total being 6,732,247 barrels, compared with 7,481,196 barrels a year ago. It is considered that for the full crop year, exports will be about 1,000,000 barrels less than they were 1925-26.

For the first time this year, weekly car loading figures of revenue freight for the week ended April 15, have fallen below those for the corresponding seven days of last year. This is mainly due to the holiday on Good Friday. There were decreases, as compared with the previous week, in all commodities except pulp and paper and ore. The largest decreases were in merchandise, which was lower by 1,805 cars, grain by 1,129 cars and miscellaneous freight by 696 cars. Aggregate loadings since the beginning of the year, however, continue to show a substantial difference in favor of 1927.

The pleasing feature of the 15th weekly report on car loadings is the gain recorded by pulp and paper. Recent action of the majority of the newsprint manufacturers in combining their sales forces in order to effect orderly marketing and to endeavor to maintain the present price of $65 a ton for newsprint, has undoubtedly set at rest any possible agitation on the part of the consumers in demanding a price reduction.

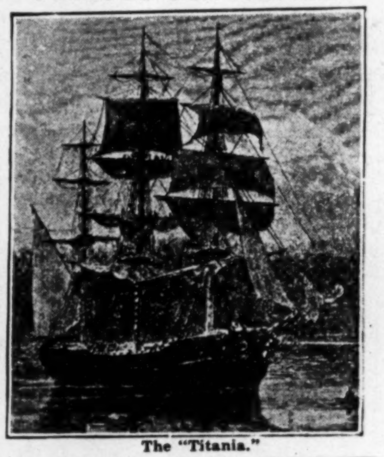
Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—(March)—				
Pig iron, tons	75,637	53,251	178,049	159,641
Steel, tons	107,381	58,765	221,552	180,458
Newsprint, cwts.	174,094	154,093	487,804	429,444
Automobiles (Jan.)	18,655	18,838	34,031	30,619
Boots and shoes, pair (Feb.)	1,510,942	1,375,000	2,918,105	2,575,000
Flour, bbls. (Jan.)	1,496,000	1,422,000	1,496,000	1,422,000
Construction—				
Contracts awarded (Mar.)	$17,465,900	$19,779,000	$53,704,600	$45,926,000
Building permits (March)	$11,641,427	$10,634,491	$24,849,278	$22,493,574
Labor—Employment index (Mar.)	96.3	91.5	....	....
Transportation—				
Car loadings (to April 16........)	54,753	56,682	905,639	823,093
C.P.R. gross (Feb.)	$13,367,502	$12,613,007	$27,802,871	$26,083,139
C.P.R. net (Feb.)	$ 1,968,198	$ 1,905,930	$ 3,478,433	$ 3,706,889
C.N.R. gross (Feb.)	$19,207,035	$18,337,076	$39,375,294	$37,038,230
C.N.R. net (Feb.)	$ 1,424,242	$ 1,423,573	$ 3,458,596	$ 3,151,955
Population—				
Emigration (Mar.)	4,981	6,993	15,291	21,293
Trade—				
Imports (Feb.)	$74,706,654	$70,908,980	$153,512,654	$140,644,980
Exports (Feb.)	$75,533,607	$87,634,147	$150,799,607	$173,350,147
Imports of key products (Feb.)— —				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coal, tons (Feb.)	1,706,237	1,120,487	3,269,233	2,329,748
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,008
Automobiles (pass.) (No.) (Feb.).	3,597	5,936	8,893	9,696
Wheat, bus. (Mar.)	16,394,879	14,734,061	.....	42,005,914
Wheat Flour, bbl.	1,028,813	1,302,092	....	2,860,504
Finance—				
Failures, number, (Mar.)	...	...	590	593
Failures, liabilities, (Mar.)	....	....	$8,095,140	$9,552,197
Bank debits (Jan.)	$2,293,076,943	$2,131,219,922	$4,912,076,943	$4,499,219,922
Bond sales (Mar)	$19,674,878	$ 27,408,744	$93,794,507	$182,442,246
Stock prices index (April 19)	....	....	292.9	171.4
Insurance sales (Jan.)	$36,820,000	$33,600,000	$36,820,000	$33,600,000
Wholesale prices (1913-100)—March—				
General index	....	....	148.7	160.0
Pig iron	....	....	144.6	145.7
Cotton	....	....	114.4	164.4
Grains	....	....	160.0	160.8
Cattle	....	....	110.2	104.6
Rubber	....	....	65.3	88.2

One Man's Active Span Covers Vancouver's Rise

FAMOUS CLIPPER SHIP



The "Titania."

The youth of Canada's Pacific coast is well revealed by the news that Captain Frank E. Beadnell, master of the White Star Liner Adriatic, has crossed the Atlantic for the last time and is retiring from service. Capt. Beadnell commanded the first ship to unload at Port Moody now Vancouver. Within the span of his years of service as a ship commander Vancouver has arisen from a wilderness, to a city of 250,000 people.

Beadnell commanded the Titania which, in 1882, brought steel rails from London to Port Moody for the construction of the British Columbia section of the Canadian Pacific Railway.

The Titania was a famous clipper ship in the tea trade. Those who have seen the movie "The Yankee Clipper" will have caught some of the spirit of the clipper ship days although it is doubtful if the picture will be shown in many Canadian provinces because of its tendency to a somewhat pro-American view-point. However, those Canadians who saw it and were disturbed at the thought that the Yankee clipper defeated the British clipper from China to Boston may gain a crumb of comfort from the fact that the most famous of the Boston clipper ship captains was Nova Scotia born and bred.

The Titania was bought by the Hudson's Bay and is shown in the accompanying picture, made from an old wood-cut that depicts her lying at anchor off Port Moody on the memorable occasion when she brought in the C.P.R. rails.

CANADA RANKS HIGH AS MARITIME NATION

Only Exceeded by Eight Countries in Shipping Tonnage

Ranking ninth among Maritimes nations of the world, Canada has assumed a new importance among shipping countries. In common with other countries, the Dominion was compelled to construct a number of freighters during the war to take care of losses caused by misadventure and through German submarine warfare. During the latter war period, the Canadian Government placed orders for 63 steel cargo ships, which became the nucleus of the present government merchant marine.

Great activity in building took place from 1918 to 1921 as an outcome of war conditions. The Canadian Pacific and other Canadian steamships companies ordered new vessels to replace obsolete equipment, with the result that at the end of June, 1926, 664 steam vessels of 100 tons and over were entered in the Canadian registry. Following table shows the growth of the Canadian merchant marine fleet, including sail and steam, in the past seven years:

Tonnage of Canadian Merchantmen
100 tons or over (in '000's)

	Sail	Steam	Total
1920	123	854	977
1921	135	999	1134
1922	127	1064	1191
1923	118	1082	1200
1924	109	1080	1189
1925	106	1097	1203
1926	107	1133	1240

Parallel with the tendency toward bigger vessels, there has continued to be a rapid development of the construction of new or the conversion of old ships designed to consume oil in place of coal.

Total world tonnage has increased 16 per cent. during the last six years, from 51,786,120 gross tons in 1920 to 60,069,411 in 1926, so that it will be seen growth of the Canadian fleet has kept pace with that of the rest of the world. Tonnage of merchantment at the end of the war would have shown considerable decrease had it not been for the huge shipbuilding programme of the United States undertaken for war purposes, to replace allied shipping destroyed. After the war, the United States faced the problem of a surplus of ships which could not be operated profitably, and hence construction decline. Germany, Italy, Japan and France, as well as Great Britain and smaller nations, however, continued, or embarked upon, vigorous ship building programmes.

Livestock Slaughterings Show Increase in First Quarter

Although export demand for Canadian livestock and packing house products has not registered any great improvement since the general labor strike in England a year ago, domestic demand appears to have quickened, judging by the government returns on inspected slaughtering of livestock. During the first quarter of the current year 149,612 cattle were slaughtered. This compares with 143,787 in the corresponding period of 1926. The increase is not accounted for by a marked change in any particular district, but rather to a slight improvement in all provinces.

Improvement in the hog situation is even more pronounced, 709,146 having been inspected in the three months, as against 649,137 in the same period a year ago. It would appear from the Government returns that Ontario, Southern Alberta and British Columbia are making the greatest strides in raising an animal complying with the strict requirements of the packers. The Maritime provinces have also registered a gain, slaughterings increasing from 6,397 to 11,090. This is largely due to the active campaign undertaken by the provincial live stock departments in those provinces to interest the farmers in the select class of bacon hog type.

Calves and sheep were also marked in larger numbers, the former increasing from 57,547 in 1926 to 61,832 in 1927, and the latter from 64,648 to 71,110. In each case, Southern Alberta and British Columbia were largely responsible for the gain, although small increases were recorded by all districts.

General Indices of American Business Continue Favorably

Measured by check payments, dollar volume of business in the United States during week ended April 16 was greater than during corresponding week of last year, according to the weekly statement of the Department of Commerce. Such changes as took place in wholesale prices, as compared with the previous week, were downward and for most commodities were also considerably lower than a year ago. Loans and discounts of Federal reserve member banks were larger than for the corresponding period of 1926 but were less than in the preceding week. The Federal reserve ratio also declined from the previous week but was larger than a year ago.

Production of bituminous coal and of beehive coke during the week ending April 9 was considerably less than for either the preceding week or the corresponding week of last year. The output of crude petroleum was the same as during the week of April 2, but was considerably larger than a year earlier. Production of lumber increased from the previous week but was slightly less than a year ago. Distribution of goods, as seen from the data on carloadings, continued to register gains over the previous year. Receipts of wheat, cotton, cattle and hogs were each less than during the previous week but larger than during the corresponding week of 1926. Building contracts were less than during the previous week but almost as great as for the corresponding week of last year.

Sugar Refineries Output Declines in Three Months

From Our Own Correspondent.

MONTREAL.—The total sugar manufactured by Canadian refineries during the current year to March 26 declined somewhat from the corresponding period of 1926. The total output amounted to 188,604,863, as compared with 205,745,912 pounds in 1926. During the four-week period ending March 26, however, the total production showed a marginal increase.

Exports of sugar from Canada in February declined to 12,681,000 pounds, as compared with 19,441,600 in February, 1926.

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Making Arid Southern Alberta to Bloom is Work of Irrigation at Lethbridge

Lethbridge Northern District Now Showing Good Results

671 FAMILIES THERE

With Financial Backing of Province of Alberta, District is Beginning to Give High Yields

By C. F. STEELE,
Southern Alberta Correspondent,
The Financial Post.

Since the spring of 1925 the Lethbridge Northern has been operating directly under machinery set up in the Lethbridge Northern Colonization act, legislation enacted specially for the district, and recommended by Dr. John A. Widtsoe, of Utah, a member of the United States fact-finding commission probing irrigation projects for the Department of the Interior at Washington. Dr. Widtsoe, an international authority, was loaned to the Alberta government to investigate the Lethbridge Northern. It was largely on this expert's report that the government framed its enabling legislation.

James Pike in Charge

Under the act a colonization manager was to be appointed. On the shoulders of this man would rest the carrying into effect of the provisions of the act. He was given wide powers and provincial funds to "make it go." Jas. Pike, an Edmonton financial and real estate man, was given the Lethbridge Northern job at a big salary. Mr. Pike organized his sales and office staff, enlisted the aid of provincial and federal agricultural experts to advise the farmers in the best cultural methods, launched his settlement program and from his Lethbridge headquarters directed operations.

What have been the results in two years?

There have been two years of substantial improvement based upon an influx of experienced, equipped farmers and increased wealth from the soil. The records show that at the end of December, 1926, a total of 671 families had taken up residence on the project or were engaged in establishing homes as against 257 families located there prior to 1924, an increase of 250 per cent.

Crop Values Also Increase

Crop production has also shown impressive expansion. In 1926 production including grain, fodder crops, dairying and poultry, reached a value of $1,528,000 as against $568,000 in 1924. It should be added that adverse harvest weather last year virtually destroyed 4,670 acres of grain and a disastrous frost hurt late crops, putting them down two or three grades.

That the farmers realize the value of the application of the water is shown in the fact that last season 57,031 acres were irrigated as compared with 21,912 in 1924. The farmers are better able to apply the water, for the farm unit has been reduced to 167 acres, quite enough for the ordinary man to handle under the intensive system demanded in irrigation. He is diversifying more and more, the statistics compiled by the colonization department indicating a hundred per cent. increase in dairy cows, hogs and poult ry in two years.

Standardize at High Quality

The Ayrshire cow has been adopted as the strain to be used and this spring through the efforts of Mr. Pike's office some first class cows have been distributed to the farmers, generally for a cash down consideration. A thousand more good cows could be placed and will be as they are obtained. An accredited Farm Flocks Association to foster poultry raising has been formed the barred rocks being the breed chosen. The idea is to standardize the products from the Lethbridge Northern, placing them on the market with the stamp of the various associations. The Dominion government has placed a poultry expert in the district this year.

While many of the homeseekers have the necessary farm equipment and livestock to put in a crop, they lack the ready cash to build homes and outbuildings. The colonization department takes care of that, for under the act the manager is empowered to make loans for specific purposes. To date in round figures $36,000 has been advanced, made up of 210 loans. These are secured by first mortgages on buildings situated on lands, the titles to which stand in the name of the colonization department.

Moving Dried-Out Farmers

This provision has enabled scores of dried-out farmers from southeastern Alberta to find good farms nearby. It has held many of them in Canada. The practice has been to sell only to married men of good character and who have capital, either in equipment or cash, to the value of $1,500. The land is sold for as low as $15 an acre on one-third crop payments. Water payments are spread over 50 years. These water payments, now that they are cut down are being met: in 1924, $13,921 was collected; in 1925, $76,929 and in 1926, $104,046.

Farmers who qualify are sold acreage on the following conditions:

1. The settler must agree to take up his residence on the land.
2. He will break and prepare for crop the full irrigable acreage the first year.
3. He will prepare the land and sow at least 10 acres to alfalfa and keep same in permanent pasture.
4. He will plant trees around his buildings in accordance with plans prepared.
5. He will keep his farm free of noxious weeds.

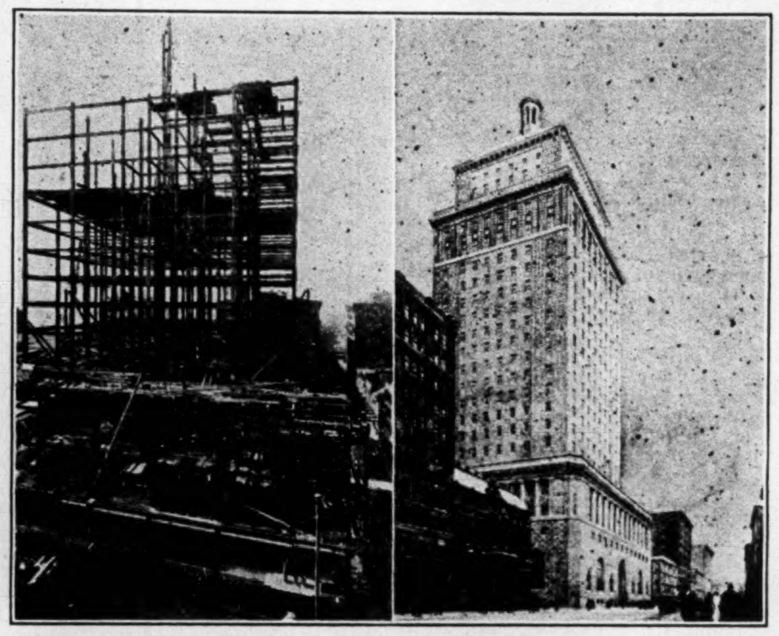
Some Farms Still Available

There are some hundred farms still open in the district. These will be taken this year, it is expected. Of the future the colonization manager, James Pike, has this to say: "The measure of success of the Lethbridge Northern depends entirely on the success attained by the individual farmers working out their own problems on their own farms.

"When the gross production reaches $4,000,000 per annum, and every acre irrigable is producing $40 worth of wealth, the problem will be solved. Therefore, we will concentrate now on increased production through better farming."

The Hamilton Street Railway Company will have 24 new street cars in operation May 1st.

New Royal Bank Head Office Takes Form



Steel work of the new Royal Bank of Canada's head office building in Montreal is nearly completed and the lower stone was laid last week by Sir Herbert S. Holt, president of the bank. At the right is a visualization of the completed structure by S. H. Man.

MOUNT ROYAL'S PROFITS GROW SUBSTANTIALLY

Bettered Gross and Net Allows Satisfactory Write-offs This Year

From Our Own Correspondent.

MONTREAL.—The Mount Royal Hotel Company during its 1926 fiscal year experienced an all-round betterment in its earnings and in its balance sheet position. Earnings were sufficient to allow write-offs to depreciation, bond discount and to organization expenses. The comparison of the income account and the working capital figures of the past three years follow:

	1926	1925	1924
Gross	$3,112,256	$2,854,319	$2,617,091
Operating . .	2,250,760	2,286,976	2,230,431
	$ 861,496	$ 567,343	$ 386,660
Interest	285,776	295,182	312,724
Depreciation	170,000	....	....
Bond disct. ..	36,381	....	....
Deferred chgs.	25,156	....	....
Doubtful Accounts . .	4,000	....	....
Inc. tax	10,000	....	....
Spcl. adjust. .	2,728	9,290x	47,230
Net profit ...	$ 327,455	$ 281,451	$ 26,706
3% pref. div...	204,771	....	....
	122,684	281,451	26,706
P. & L. bal...	355,061	73,610	46,904
	477,745	355,061	73,610
1923-1925 depr.	150,000	....	....
Surp. acct. ..	327,745	355,061	73,610
xCredit.			
Working Capital			
Curr. assets ..	778,738	458,880	358,635
Curr. liab. ...	502,973	415,834	649,391
Work. cap. ..	275,765	43,046	290,756x

xDeficit.

The principal changes in the balance were in the current assets and current liabilities; the result of these changes is seen in the bettered working capital position. Fixed assets and total funded debt, however, are shown on the books at figures a little below those of last year.

In his remarks to the shareholders, Frank A. Dudley, the president, says in part, in the annual report:

"The balance sheet does not give effect to the changes in the financial structure approved by the unanimous vote of shareholders represented at the special general meeting held Dec. 20 for the reason that it was legally necessary to apply to and receive the consent of the Legislative authorities of the province of Quebec to an amendment of the company's charter before issuing the new stock certificates. The legislature of Quebec has now consented to the proposed issue of no par value ordinary or common stock in exchange for the present common stock of shares of $100 par value, and the amendment to the company's charter in regard to the preference stock has passed both the Upper and the Lower Houses, and awaits the approval of the Lieutenant-Governor.

"As soon as the pending legislation is approved by the Lieutenant-Governor and the necessary formalities required by the bill are complied with, we will be permitted to issue the new preference stock and Scrip Dividend Certificates, and exchange them for the stock certificates now outstanding. Announcement will be sent to all registered shareholders when this sanction has been given and new preference certificates and Scrip dividend certificates are ready for exchange.

"Your directors confidently hope that, based on the improved earnings of the company and a normal growth in patronage, they will be in a position to declare dividends at the rate of 6 per cent. per annum on the new preference stock with regularity and pay the same quarterly to the shareholders."

March Building Permits Value Highest Since 1910

Building permits issued by 63 Canadian cities during the month of March were valued at $11,641,427, an increase of 49.7 per cent. over the previous month and of 9.5 per cent. over the same month a year ago. The March total was the highest for that month in the record of the 63 cities.

All provinces reported increases in building authorized during March as compared with the preceding month. As compared with March, 1926, New Brunswick, Quebec, and Alberta recorded decreases. Of the larger cities, Montreal registered a decline in comparison with February and also with the same month in 1926. In Toronto, Winnipeg, and Vancouver, on the other hand, there were increases in both comparisons. Practically all of the smaller centres reported increases.

The aggregate value of building permits for the first three months of this year, amounting to $24,849,278 was greater by $2, 355,704, or 10.5 per cent., than in 1926, the previous high of the record.

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TORONTO 2

WILLIAM DAVIES HAS OPERATING LOSS FOR YEAR

British Strike, Plus Aftermath, Are Explanations Given by President

The delayed report of the William Davies Co., shows a net operating loss of $70,420 for the year ended December 26th. last, compared to a gross operating profit of $656,470 in the previous year and $687,677 in the fiscal year 1924. Working capital is reduced from $2,533,764 to $1,979,857. Current assets are reduced from $4,020,209 to $3,896,746 and current liabilities up from $1,486,445 to $1,916,889.

E. C. Fox, President, explains that the packing industry suffered severely in the last fiscal year because of the British coal strike, which is still being felt in that the buying power of the British people were reduced, and because an embargo on the shipment of fresh pork from Continental Europe to Britain has resulted in increased sales of bacon from that source.

Announce Martin Sale

It is explained that the directors thought it wise to delay the annual meeting in order to make official pronouncement of the sale of the retail stores of the Canadian subsidiary.

"Your directors," says the statement, "have recognized for some years that a wholesale and retail business, under present-day conditions, could not be developed properly and justice done to both systems." For this reason it was decided to sell the A. Martin stores to Arnold Bros., Ltd. The sale, made since the close of the year, put the company in a stronger liquid position than the balance sheet indicates and also liquidates the liability of bonds amounting to $395,000.

Each year for some years the Canadian company has bought some of the Class A stock of the American company. This has reflected itself in the annual balance sheets. Such purchases, however, were discontinued last May, according to Mr. Fox's statement, when the company had acquired an amount that somewhere reasonably represented the amount tied up in fixed retail store properties.

Explains Stock Purchase

"It was recognized," continues Mr. Fox's statement, "that the capital stock liabilities of an equivalent sum with its accrued dividends were so much greater than the asset of the retail properties that such purchase, up to the approximate amount indicated, was in the interests of the shareholders. By the necessities of the case, both transactions could not be carried on simultaneously and, therefore, from time to time, as the Canadian company was able, it purchased in the open market capital stock of the American company. This purchase and the sale of the retail properties should, therefore be considered part of the same plan. The amount of A shares outstanding is still, therefore, 91,000 shares, but by reason of the complete ownership of the Canadian company by the American company the net shares outstanding are 60,435."

Profit and Loss

	1926 $	1925 $	1924 $
Profits	x 70,420	656,469	687,677
Less:			
Depreciation	164,602	250,576	282,278
Interest	180,853	186,189	195,109
Surplus	x415,875	219,704	210,290
Prev. surplus	3,512,103	3,292,399	3,082,109
P. & L. balance	3,096,228	3,512,103	3,292,399

x Loss.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Apr. 27	97.2	94.1
Week of April 20	96.1	94.4
Month of Apr., 1926	83.3	77.4
9 Bank Stocks		
Week of Apr. 27	$240	$239
Week of April 20	240	239
Month of April, 1926	226	222
10 Public Utilities		
Week of April 27	111	108
Week of April 20	109	107
Month of April, 1926	94	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	6	2	1	9
Paper	4	7	5	16
Steel	11	8	20	39
Foodstuffs	15	17	14	46
Utilities	16	2	11	29
Tractions	8	3	4	15
Industrials	10	12	19	41
Textiles	9	7	16	32
Total	79	58	90	227

National Brick Company Reduces Dividend Rate

From Our Own Correspondent.

MONTREAL.—The National Brick Co. of LaPrairie has reduced the 7 per cent. dividend on its cumulative preferred stock to 6% by declaring a dividend of only 1½ per cent. on the preference shares payable on May 16. The rate has been reduced because earnings were not sufficient to enable the company to plough back enough surplus earnings into reserve and surplus accounts. Hon. C. C. Ballantyne, the president, stated that he recognized that the capital structure of the company is excessive, but that at the present time no change in the capitalization is contemplated. The preferred shares are now some 23 per cent. in arrears and from time to time during the past few months there have been many rumors indicating that some adjustment in the capitalization would be made to liquidate the heavy load of dividend arrears which the company carries on its shoulders.

The cut in the dividend indicates that earnings have been anything but satisfactory and that the outlook for the future is hardly of the best. It seems probable, therefore, that any liquidation of the preferred dividend arrears is still a long way off.

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Industrial Alcohol Has Bettered Its Earnings

Stock One of Most Attractive in Beverage Group

POSITION IS STRONG

Ontario's Legislation Adds to Attractiveness of Common Stocks—Produces Many Brands

The shares of Canadian Industrial Alcohol company have been much in the public eye due to the general interest in distilling shares and to the increase in the earning power of the company. Beginning 1926 at $16.25 a share it soared up until a new high record of over $34 a share was established last December. From this high figure the stock declined on the announcement that the company had decided against purchasing the Hiram Walker distillery at the price at which it was offered. Following the conclusion of the negotiations with the Hiram Walker interests, Industrial Alcohol declared a twenty per cent. stock dividend which started the shares on their upward journey once again. The financial statement for the last fiscal year which ended September 30, 1926, was a pleasant surprise to the most sanguine, showing as it did the best year in the company's history. Earnings were sufficiently high to justify the expectations at that time of further consideration for the shareholders, these anticipations were recently justified in the stock dividend. It is said that to date in its current fiscal year, Canadian Industrial Alcohol has more than earned its dividend requirements for the full year.

Incorporated in 1924

The Canadian Industrial Alcohol Co. was incorporated towards the close of 1924 to acquire the assets of a predecessor company of the same name, the consideration being 800,000 shares of no par value stock of the new company. In addition to acquiring the assets of the Canadian Industrial Alcohol Company as a going concern, the present company acquired also the undertakings of the Consolidated Distillers, Limited. The capital stock of the Consolidated Distillers is $5,000,000, of which $3,000,000 is issued; the outstanding capitalization is all held in the treasury of the Canadian Industrial Alcohol Company.

In the spring of 1924, it was announced that the Canadian Industrial Alcohol Company of Manitoba, with a capital of $2,000,000 had been organized as a subsidiary. This subsidiary owns a plant at St. Boniface, Manitoba.

Is An Operating Company

The Canadian Industrial Alcohol Co. is both a holding and an operating company. The Consolidated Distillers operates the well known Corby Company at Corbyville, Ontario. This organization has a business record extending over some sixty years. At Corbyville, also, industrial alcohol is manufactured at two plants comprising one of the largest enterprises of the kind in the British Empire.

The parent company also controls the St. Hyacinthe Distilleries Co., a company having a large output of beverages at St. Hyacinthe, Quebec. Another enterprise controlled by the parent company is Wiser's Distillery, Limited, at Prescott, Ont.

The Manitoba subsidiary benefits from low freight rates on grain and low rates on its output and has a substantial advantage in its territory over eastern competitors. Another plant is located at Vancouver, British Columbia, which takes care of the Pacific Coast trade.

The Corbyville Plant

The plant at Corbyville is situated about four miles from Belleville, Ont., and consists of 88 buildings. The plant is served by both railways and consists of modern distilleries of brick on stone foundations. The buildings include the fermenting still and cooker houses with a capacity of 6,000,000 proof gallons of alcohol per annum, a grain elevator and mill capable of storing 60,000 bushels of grain, iron tanks with a capacity of 2,400,000 gallons of molasses, store houses, office buildings, chemical laboratories, garage and stables. The plant includes equipment for the utilization of by-products and buildings have been erected for the manufacture of chemicals of which alcohol is the main constituent. Housing is also provided for a number of the employees.

Brands Are Well Known

The company produces industrial alcohol and various kinds of liquors. It produces many well known brands, including Hill's and Underwood's, Duncan's Royal Palace, Embassy, Corby's Special Selected and the celebrated American brands of Old Crow, Old Kentucky Bourbon and William Penn. These are some of the well known brands controlled by Industrial Alcohol which are steadily kept before the public by advertising.

The sales of industrial alcohol are showing a satisfactory growth year by year. There are over twelve hundred different uses for this product and the number is constantly increasing. Many industries find alcohol a necessary adjunct in their operations. It is used extensively in drugs, soaps, dyes, paints, oils, waxes and tinctures and is a necessary raw material in hundreds of chemical processes.

The company is now extending its activities into the alcoholic motor spirit field and the market for this product is receiving the active attention of the management. Rapid progress has been made elsewhere with motor spirit having a base of alcohol instead of oil and the possibilities of this field appear to be large.

Taxes are Very Heavy

At the present time, there is a heavy excise tax in Canada on alcohol used for industrial purposes, whereas in the United States all alcohol used for chemical purposes is free of taxation. Probably in the future some adjustments in the tax will be made which would thus tend to widen the market.

CAN. INDUSTRIAL ALCOHOL

	High	Low
1925		
1st quarter	20⅝	15⅞
2nd quarter	17	14½
3rd quarter	16	14
4th quarter	18	14¼
1926		
1st quarter	20¼	16½
2nd quarter	20	17
3rd quarter	24¼	18¼
4th quarter	35¼	22
1927		
1st quarter	28	21⅜
*2nd quarter	30⅛	25½

*April 1 to April 25.

The position of the company in this branch of its activities is satisfactory, for it successfully meets competition from domestic producers and also from the imported product. Increasing earnings are being experienced from the sale of this portion of the output.

The decision of the province of Ontario to permit the sale of liquor will provide a much wider market for this section of the company's output and thus, the shares have quite as much attraction as any of the new distilling issues which have recently been offered the public. Not only has the company an enlarged market awaiting its production of liquor, but also its satisfactory financial record extending over some years adds attractiveness to the stock.

At the present time, the general situation surrounding the sale of liquor is the speculative element which affects the shares of Canadian Industrial Alcohol and all other shares of companies engaged in this business.

Earnings On Up-grade

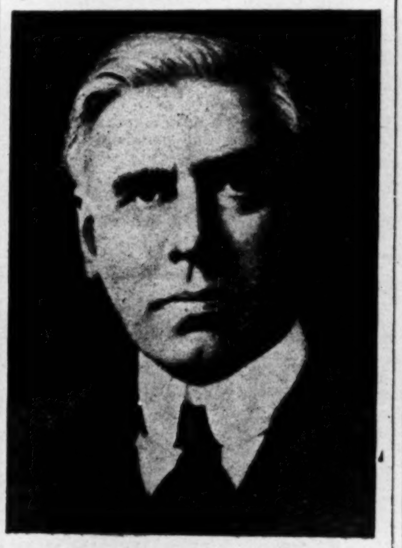
The very fact that the management of the company declared the stock dividend indicates clearly that earnings are continuing on the up-grade. While the annual report shows only profits after all charges, including depreciation, it is understood that the allowances for reserves of one kind or another are of a generous nature. Indeed, this is borne out in any examination of the balance sheets of the last four fiscal years.

In the last fiscal year, the amount at which the company carries its property account on its books declined by more than $1,000,000 which compares with total fixed assets of some $9,500,000. Of the last figure, $5,381,740 is composed of investments and holdings of stock in associated companies. From these figures it will be seen that the Canadian Industrial Alcohol's accounting is of the most conservative character.

It seems a reasonable presumption, due to the conservative character of the management, and even with the recent 20 per cent. stock dividend, that earnings this year on the increased capitalization, will be at least equal to the $2.63 which the company earned on its common stock during the 1926 fiscal year and that earnings will be large enough to provide for just as large an allowance for reserves as in 1926.

The company occupies a strong working capital position and, in addition to its other reserves which have been deducted from its fixed assets, has built up a handsome surplus account. As there is no bonded debt, the entire ownership of the property is vested in the common stock.

Honor Frank Stanfield for 30 Years' Service



FRANK STANFIELD,
President of Stanfield's, Ltd., of Truro, N.S., who was presented by his shareholders with a silver tea set, in recognition of thirty years of service for his company.

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Quebec Power Split-up Awaited by Investors

From Our Own Correspondent.

MONTREAL.—The shares of the Quebec Power Company have continued their upward surge. The price appreciation has been accompanied by no special news regarding the company, but investors are inclined to feel that the long-anticipated split-up of the shares will not be long delayed. No intimation, however, of such action is forthcoming from official sources.

The long-continued rise in the shares appears to be due to no special developments, but simply to the general increase in the demand for the company's services, coupled with the industrial expansion which is taking place in and around the city of Quebec, which ultimately will lead to substantial increases in the power load carried on the lines.

The current gossip regarding the anticipated split in the shares indicates that the stock will be split up four to one—four new shares of no par value for each share presently outstanding; the new shares to pay dividends of $2 per year. This, of course, is purely gossip, but if such a split-up takes place shortly, there appears to be every reason to presume that the new stock would sell for at least $70 per share. This figure would be considerably below that of Montreal "Power" and Shawinigan, both of which pay but $2 annually.

The stock capitalization of Quebec Power amounts to just under $10,000,000. The suggested split in the stock would mean that the company would have outstanding 400,000 shares of no par value.

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Making Your Will

A Notable Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

First Article: DYING WITHOUT A WILL

By RALPH C. GEDDES.

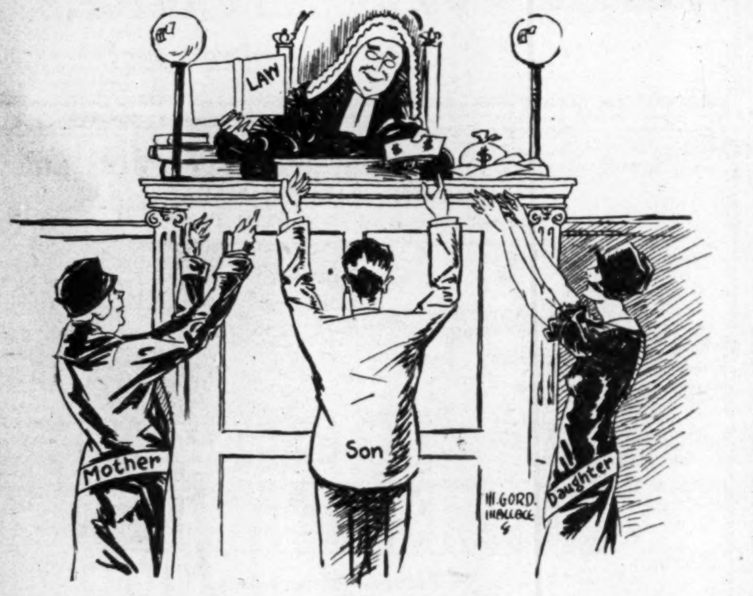
Photograph by Mr. Lyonde, Toronto.
MR. GEDDES

It has been frequently said that the making of a will is the most important single act in a man's life, and, while we may possibly regard that assertion as somewhat too sweeping, there is no doubt that it is sufficiently near the truth to afford ample food for thought. In the following remarks, attention is directed principally to the man with a wife and family, for it is a subject most vital to him, but they apply also to the unmarried man with dependents, and to women as well. Indeed, it is the rule rather than the exception for married women who own property to have no wills.

To build up an estate requires a series of individual acts or transactions all very important in themselves, but they should not be allowed to obscure the purpose for which the property—be it much or little—is being accumulated. This is to have the enjoyment of it during one's lifetime, and after one's death to pass on the use of what remains to those to whom there is owed a duty of protection or benefit. It may seem ridiculous, therefore, to say that any man will devote more thought and attention to the details of the sale or purchase of a piece of real estate than to arranging the terms of the gift of the whole of his property. Yet that is precisely what has happened if he dies without a will.

When Good Intentions Fail

But let us modify that statement also, for there are few men who have not given this subject very considerable thought. However, it is so often discursive and desultory, and so sandwiched amongst their other activities, that it has never got translated into action. If anyone has failed to get the results of his cogitations into writing and properly executed as a will, they cannot be entered for probate, and all his good intentions will have gone for nothing.



When there is no will, the court arbitrarily distributes the estate according to the laws of the province.

It is not that his estate is thereby lost to his dependents. To provide for the distribution of the property of persons dying intestate each province has its own Act, differing possibly in detail from the others but in principle the same. Thus, in Ontario, if a man dies leaving a wife and children, and having no will, his widow gets one third and his children two-thirds of his estate. If he leaves a wife only, she gets $1,000 and half the remainder, and the other half goes to his next-of-kin. It does not need to be pointed out that for every instance, where such a division might be satisfactory, there are nineteen, at least, where it would be most unfair.

Putting Your Own Ideas to Work

A will, on the other hand, enables you to divide your property as you see fit, and in the knowledge that you have of the needs, the capabilities, and the deserts of those whom you wish your estate to benefit.

There is also another aspect of distribution that is often overlooked. This is that, while the shares of minors under an intestacy are held in trust for them by the court, they are entitled to receive the capital when they come of age at twenty-one. Everyone knows that more often than not any considerable sum of money paid outright to anyone at that age is in very grave danger of being wasted, if it does not do positive harm to the recipient. At least the chances are that it will be gone by the time when it might do the most good. A will is the only means of creating proper trusts for minors, or for other beneficiaries who may need protection of this nature.

Turning now to the realization of the assets, let us examine two other serious disadvantages that may arise from having no will.

Rapid Liquidation Forced

Minors again enter into any consideration of this part of the administration, and since minors can either be children of yours or the children of a deceased child or other relative of yours, there are few estates in which infants may not come to be interested. As they cannot sign off any rights, or give the administrator any release from liability, the necessity arises for the estate to be liquidated as speedily as possible if the administrator (and the bondsmen) wish to avoid being held liable for any losses that may occur by postponing their sale in the hope of a more favorable market. This frequently results in assets being sold, or a business wound up, at a disadvantage. This shrinkage in the cash value of the estate could have been avoided by a will properly drawn in this respect.

The Best Type of Administrator

And finally there is the question of the administrator—the person charged with the duty of getting in and distributing the assets on an intestacy. Who is likely to be the more competent? The executor chosen by you and named in your will for the qualities that are most needed in this work; or the administrator appointed by the court under a rule of law that recognizes the closeness of relationship rather than business ability. The possibilities there are for substantial loss, especially in affairs that are at all complicated, are self-evident under such circumstances. There is almost bound to be delay and confusion, which always adds to the expense, but this may be the least serious of the consequences.

It is not usual for any men to view with equanimity the prospect of any avoidable loss to his estate while he is living. When his earning power no longer exists to retrieve any such losses, it should concern him much more nearly, for the necessity is greater that the full value of his assets should be conserved, if possible for his dependents. Consequently, we do not consider that this danger of depreciation has been stressed unduly, since frequently it is the very man who most needs a capable executor, if for this reason alone, who is neglecting to make his will.

The making of a will should not be postponed, and to assist those who may have difficulty in gathering together their ideas, the next article in this series will deal with planning a will.

Ralph C. Geddes

Ralph C. Geddes, who is preparing for The Financial Post this series of articles on wills and estates, etc., is well informed on the subject he has taken in hand. At the present time, he is in charge of the business extension department of the Toronto General Trusts Corporation, where he is brought into daily contact with problems such as he will discuss in this series.

Mr. Geddes is a graduate of Osgoode Hall, Toronto, and practised law in Saskatoon before taking up his present work.

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NATION'S BUSINESS

(Continued from page 1)

customs collection stations in Canada that collect less than $100 a year of revenue; 104 collecting $100 to $500; 43 collecting $500 to $1,000 and 121 collecting $1,000 to $5,000.

No Right to Exist

Few of these ports have any real right to continue to exist. They should be closed.

The Commercial Protective Association in their brief to the parliamentary committee said on this point:

"If 270 ports of entry are sufficient to take care of the needs of a population of one hundred and seventeen millions of people (the United States), surely that number of ports would be able to take care of the needs of Canada for a great many years to come, and if 270 are sufficient over 400 will have to be closed.

"In making this recommendation we wish to enunciate certain basic principles which might be followed or kept in mind when the question as to what ports should be retained is being considered:

"1. The statutory designation of places on the Canadian border and coast line where traffic can legally enter Canada. No additional places to be designated except by the Governor in Council and after publication of the Order in the Canada Gazette.

"2. Sufficient boundary ports should be maintained to facilitate the entry of goods imported by legitimate importers and to take care of the natural highway and ferry traffic between Canada and the United States.

"3. Ports of entry on the Atlantic and Pacific Coasts and the Great Lakes to be determined by the shipping requirements.

"4. Inland ports to be retained only in cases where there is sufficient revenue to justify same. An arbitrary amount might be fixed by the Committee which should govern unless under exceptional circumstances.

Saving to Tax-Payers

"From the viewpoint of economy in administration there would be a substantial saving to the country at a time when economy is of the most vital importance to the taxpayer. The country would be saved the cost of maintaining these unnecessary Customs Houses and the services of such of the staff of closed ports as would be of value elsewhere could be used to augment the staffs of undermanned ports. The closing of unnecessary offices would enable the Government to pay better salaries and better salaries would result in greater efficiency.

The appraisal system is the cornerstone on which the fabric of Customs administration is built, and it is impossible for the appraisal system to be either efficient or effective when there are so many ports to be manned and when the money available to pay the salaries of the staff has to be spread over such great number, with the result that the salaries paid are so low that technical experts cannot be obtained. We are convinced that it is only by a corps of efficient, capable and well-paid appraisers that frauds on the revenue, other than smuggling frauds, can be controlled and lessened and the rights of honest and legitimate importers protected.

"At each of these 681 places revenue is collected. At many points there is only one officer, who performs all the duties distributed amongst many officers at larger ports without any check whatever apart from such review of entries as is made at Ottawa when entries are forwarded.

"Many of these officers receive very little salary, and the temptation and opportunity to enter goods in collusion with those desiring to commit fraud is, therefore, very great.

Does Not Stop Smuggling

"It might be imagined that having a large number of ports of entry would tend to prevent smuggling. Such, however, is not the case. The chief function of a Collector of Customs is to receive the payment of duties from those who have no intention or desire to evade payment. Collectors cannot be depended upon to prevent smuggling, as they must remain at a definite station for that purpose, and that place will be avoided by smugglers. The prevention of direct smuggling can only be dealt with by a mobile force. On the other hand, the great number of Customs Houses tends to facilitate undervaluation and other frauds, by granting the power of passing goods to officers drawing very small salaries, the collection of the proper amount of duty being dependent upon their integrity. Nor can much reliance be placed on such officers to detect frauds, owing to their lack of knowledge of both values and classifications.

Necessary to Prevent Smuggling

Closing of customs ports is necessary to prevent smuggling and to lower extravagant administrative expense. Local jealousies will be touched; a very small portion of the people will be caused some small additional inconvenience in clearing their goods. But good business demands Mr. Euler carry out this recommendation and that public support be given him in the doing of it.

Stock Market Record

WEEK ENDING APRIL 26

	Div. Rate	Yield April 25	High for wk.	Low for wk.	Close Apr. 26	Close Apr. 19	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.37	242¼	241	242	241	188	248	228
Dominion	12+1	5.72	228	227	227½	227	24	230	225
Can. Nationale	10	6.06	165	165	165	165	9	165	160½
Imperial	12+1	5.96	218	218	218	216½	14	222	214
Montreal	12+2	4.77	293½	292	293½	292	209	295	272
Nova Scotia	16	5.02	320	317	318	317	39	321	298
Royal	12+2	5.38	260½	259½	260½	259	239	266	257
Standard	12	6.00	201½	200	201½	203	35	207	196
Toronto	12	5.21	231⅛	230	231⅛	232	6	238½	230
Paper—									
Abitibi, com. (no par)	5	5.47	91½	90½	90¾	91½	2952	94	82
Do. pref.	7	6.03	119	116	117	119	8	119	113
Belgo-Can., pref.	7	6.79	103	102½	103	102	487	103	101
Brompton (no par)	$2	5.97	33¾	32	32½	31¾	2256	35	31
Fraser, pref.	7	7.14	98	98	98	97½	2	98	96¾
Intern. Paper, com.	$2	3.81	56	51⅞	53¾	55⅝	10100	60⅞	51⅞
Laurentide	6	5.94	103¼	100½	101	102⅞	2029	103¼	98½
Price Bros., com.	2	3.33	60¾	60	60	60½	261	63	59
Do. pref.	6½	6.37	102	101½	101½	101½	90	104	100
Prov. Paper, com.	6+1	5.38	..	...	...	...	...	130	115
Do. pref.	7	6.60	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	64	63	64	60	310	68¾	60
Do. pref.	8	7.33	108	107½	108	109	145	110	103½
Span. River, com.	7	6.96	100½	100	100	101	874	102½	98¼
Do. pref.	7	6.19	113⅝	113	113	113	405	115⅝	112
Wayagamack	$3	5.40	56½	52	53¼	56	1440	59	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	⅝	⅝	⅝	½	100	1⅝	½
Do. 1st pref.	.	...	20¼	15	20	15	778	22¼	10
Do. 2nd pref.	.	...	3	1¾	2¾	1¼	2940	4	1¼
Can. Car & Found., com.	.	...	45	44	44	44	110	50¼	38½
Do. pref.	7	7.82	90	89	89½	90	710	94½	88
Can. Fairbanks, pref.	6	7.31	..	...	...	...	...	82	80
Can. Forgings, com.	.	...	25¼	22	24	19	685	25¼	18
Do. pref.	.	...	..	...	...	...	...	85	66
C.G.E., com. (par $50)	.	...	51½	51	51½	51	22	51½	50
Do. pref. (par $50)	7	5.98	59	57¾	58½	58	340	59¼	56¼
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.11	..	...	...	...	...	89	85¼
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	6.66	60	60	60	55	5	60	42
Dominion Bridge	4+2	3.79	159	152	157	151½	6465	159	116¾
Dominion Coal	.	...	85	81	81	85	130	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2¾
Dom. Radiator, pref.	7	7.50	..	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	22¼	22	22¼	22¼	90	25	20
Ford Motor	10		..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	13½	12	12	12	280	15	9⅞
Do. pref.	7	7.82	91	89½	89½	91	35	95	89½
McKin. Ind., c. (no par)	.	...	..	...	...	...	...	21	15
Do. pref.	7	7.33	95½	95	95	95¼	25	95½	93¼
Do. Voting Trust	.	...	..	...	...	...	...	18	15
Massey-Harris, com.	.	...	..	...	...	...	...	138¼	67½
Do. pref.	7	6.39	109¾	109¼	109½	109½	1095	109¾	100
Do. new	.	...	38½	32½	36¼	32¾	103155	38½	29½
Ontario Steel, com.	4	6.89	..	...	...	...	...	78	73
Do. pref.	7	5.26	..	...	...	...	...	102½	100
Page Hersey, c. (no par)	$3	4.31	69½	67	68¼	68	1975	69¾	55½
Do. pref.	7	5.07	138½	137	138¼	138½	346	140	116
Pressed Metals, com.	.	...	46¾	41	45⅞	40	831	46¾	34¼
Do. pref.	7	8.23	..	...	...	...	...	85	85
Russell Motor, com.	3	3.76	..	...	...	...	...	52	52
Do. pref.	7	7.38	95	94	95	96½	80	97⅛	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.43	131¾	126	128½	131	2602	134	117
Do. pref.	7	5.18	136	135	135	136	158	137	127
Milling and Foodstuffs—									
Alta. Pac. Grain	.	...	22	19½	22	19½	505	27¼	19½
Do. pref.	7	7.95	90	88	89	90	324	92	87½
Arnolds, com. (no par)	.	...	22	20	21	23	2013	36	18
Do. pref.	7	7.36	95	95	95	95	130	95	84
Atlantic Sugar, com.	.	...	30	27½	27½	27	865	30½	24½
Do. pref.	.	...	..	...	...	...	...	93½	90
B.C. Fishing	5	6.32	84	79	79½	83¾	1790	94½	72½
Do., new	1.25	6.57	20⅜	19	19	20½	1190	22	19
Do. pref.	7	7.95	90	87	87	89¾	135	90	87
Can. Bak., com. (no par)	.	...	36	35	35½	35	55	38½	27
Do. pref.	7	7.07	99⅞	99	99	100½	40	101½	98
Can. Bread, com. (no par)	$5	4.50	111¼	111	111	111¼	195	116	90
Do. pref. (A)	7	6.36	115	109½	110	116	40	116	108½
Do. pref. (B)	7	6.39	110⅛	109	109½	110	16	112¼	103
Can. Canners, com.	.	...	63	58	61½	58	1807	63	21
Do. pref.	4	4.25	96	93¾	93¾	95	1097	97	76
Canadian Salt	8	6.01	..	...	...	...	...	136	123
Christie Brown (no par)	1.20	2.50	50	46¼	48½	44	600	50	38
City Dairy, c. (par $25)	$3+1	3.52	114	110½	111	113½	1887	115	79
Do. pref.	7	5.93	119	118	118	118	61	119	112
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	2¾
Do. pref.	.	...	33½	33½	33½	33	20	37	29
Wm. Davies (A) (no par)	.	...	33	29½	32	29½	1165	33	25
Do. (B) (no par)	.	...	10	10	10	10	100	10	9
Dominion Stores (no par)	$2.40	2.88	84¼	76⅞	83	77	5135	84¼	65
Hamilton Dairies, com.	.	...	27	26¾	27	28	105	33	24
Do. pref.	7	7.21	98	97	97	97	28	98½	96
Inter. Milling, pref.	7	6.66	105½	105	105	105½	17	107	104
Lake of Woods, com.	12	8.33	145	142	142	145¼	188	160	142
Do. pref.	7	5.98	117	116	116	116	10	117	115
Loblaw, com.	$1.25	2.55	49½	48	49½	49	305	51	48
Do. pref.	7	6.36	..	...	...	...	...	110	107
Maple Leaf Mill, com.	.	...	..	...	...	...	...	75	61½
Do. pref.	7	7.07	99½	99	99	99	65	101¼	98
Ogilvie Flour, com.	5	1.75	290	280	285	256	257	290	205
Do. pref.	7	5.69	..	...	...	...	...	123	120¼
Pure Gold Mfg. (no par)	1.50	7.14	20⅝	20½	20½	21½	100	21½	19½
Shredded Wheat (no par)	$3	4.44	69½	63¾	65¾	64⅞	1031	70½	55
St. Law. Flour, com.	.	...	30	29¾	30	30	55	31½	28
Do. pref.	7	8.53	..	...	...	...	...	84	80
Viau Biscuits, com.	.	...	18	18	18	18½	50	26	18
Do. pref.	7	7.77	90	87½	90	88	435	90	85½
West. Can. Fl., c. (no par)	1.40	5.34	27	26	27	25	50	29½	22
Do. pref.	6½	6.31	103	103	103	102¼	5	103	100
Western Groc., c. (no par)	$1	...	22½	20	20	24	22	29	20
Do. pref.	7	8.77	79⅝	79	79¾	78	39	84	74¼
Utilities—									
Bell Telephone	8	5.40	149	147½	148½	148	768	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.55	180¼	180	180¼	180	43	182	171½
East Koot. Power	.	...	27¼	27¼	27¼	27	11	29¼	26
Do. pref.	7	7.21	97	97	97	97	5	98½	96½
Inter. Util. (A) (no par)	3.50	...	35¼	35¼	35¼	34⅛	75	35¾	28
Jamaica Pub. Ser., pref.	7	7.07	100	99	100	100	64	100	97
Laurentide Power	5	4.38	..	...	...	...	...	120	107½
Mackay, com.	7	5.83	121	120	120	121½	160	127½	119
Do. pref.	4	5.71	71	69½	69½	69¾	140	74	69
Mexican Light, com.	.	...	..	...	...	...	...	49½	27
Do. pref.	.	...	108½	105	107½	105	170	108½	77¼
Mont. L H & Pr. (no par)	$2	2.45	83	80	82¾	80	6744	83	68½
Montreal Teleg. (par $40)	8	5.23	49	49	49	49	7	50½	49
Nor. Mexico Pr., com.	1	...	57⅞	57	57½	57	230	59½	42
Do. pref.	7	8.23	87	87	87	85	10	87	82½
Ottawa & Hull Pr., com.	.	...	27	26	27	27	13	28	26
Do. pref.	7	7.17	97½	97½	97½	96	10	99½	96
Ottawa L. H. & Pr., com.	6	5.94	..	...	...	...	...	102	96
Do. pref.	6½	6.10	107	106½	107	106	21	107	102
Quebec Power, com.	6	2.26	270	245	270	242	10214	270	190
Do. Rights	.	...	50¼	42	48	42	3457	50¼	31
Shawinigan	$2	2.32	87½	83	86	82½	15523	89	67
South. Can. Pr., com.	$2	2.22	90	90	90	90	477	90	85
Do. pref.	6	5.94	101	100½	101	100⅛	107	102	100
Transportation—									
Can. Pacific Rly.	10	5.49	182½	182	182	182	64	190	166
Can. Steamships, com.	.	....	41	39¾	41	40	915	42	35
Do. pref.	6	6.09	98½	91	92¼	90¾	2974	98½	82½
Do. voting	.	...	37	36	37	37	110	37½	32½
Tractions—									
Barcelona (par $50)	.	...	50	48¼	49½	45½	247	50	33½
Brazilian, com.	6	4.34	140¾	133¼	140¼	132½	54410	140¾	102½
Do. pref.	6	5.06	118½	117¼	118⅛	116¾	280	118½	104
Detroit Un. Rly.	.	...	3	2½	3	2	375	5	2
Duluth-Superior	.	...	30½	30	30½	30	45	30⅞	25
Illinois Traction, pref.	6	...	..	...	...	...	...	x100½	96½
Mexican Trams.	.	...	20	20	20	21	25	21	19½
Montreal Trams.	10	5.20	195	192	192	197	6	200	109
Ottawa Traction	4+1	7.29	70	69½	70	68½	23	70	64
Porto Rico Rlys., com.	2	2.07	..	...	...	...	...	70⅝	59
Do. pref.	7	7.29	96	96	96	96	10	96⅛	90
Twin City, com.	4	7.30	55¼	54	55	54	657	66	54
Do. pref.	7	7.00	..	...	...	...	...	100	100
Winnipeg Elec., com.	.	...	68	66¼	66½	67½	1578	68¾	60⅝
Do. pref.	7	6.79	103	102¾	103	102	168	105	100⅝
Textiles—									
Can. Conn. Cotton, pref.	4	9.30	43	43	43	43	40	50	36
Can. Converters	7	6.63	105½	105	105	105½	15	107	100
Can. Cotton, com.	8	6.20	129	125	125¼	131	95	132	120
Do. pref.	6	6.12	98	98	98	99½	30	100	95
Can. Woollens, com.	.	...	8	8	8	8	5	10	5
Do. pref.	.	...	60¼	60¼	60¼	60¼	50	63½	60
Cosmos Imp., com.	.	...	25¼	22½	22½	21¾	1837	26¼	13
Do. pref.	7	7.14	98	97	98	96	430	98	91¼
Dom. Textile, com.	5	4.35	120⅝	116½	119	116½	6368	120⅝	105
Do. pref.	7	5.88	..	...	...	...	...	121	117
Monarch Knitting, pref.	.	...	..	...	...	...	...	54	50
Montreal Cottons, com.	6	5.17	117	113	113½	113½	130	117	110
Do. pref.	7	6.08	117½	115	115	117	32	118	115
Penmans, com.	.	...	229	229	229	226	11	229	186
Do., new	4	5.84	78	77	78	77	1258	78¾	76
Do. pref.	6	5.71	..	...	...	...	...	105	101½
Wabasso Cotton	6	6.48	..	...	...	...	...	116	92½
Do., Rights	.	...	17	12	12	12	281	17	12
General Industrials—									
Amer. Sales, c. (par $20)	4	6.25	64	63½	62	64	394	75	63
Do. pref.	7	6.93	101	99	100	101	193	101	97½
Do., Rights	.	...	4¼	3	4	3	1501	6	3
Asbestos Corp., com.	.	...	23½	22	22½	22½	1761	24¾	21
Do. pref.	7	8.02	87½	85¾	85¾	87¼	3445	88½	82¾
Building Products, pref.	7	7.21	97	97	97	97	60	97	93½
Brant Cd., pref. (par $25)	8	8.69	23	22	23	22	165	25	21
Burt, F. N., com.	12	4.83	64	60	60	62½	758	65¼	56½
Do. pref.	7	4.86	..	...	...	...	...	x210⅛	210½
Canada Cement, com.	6	4.19	145	143	143	143	1109	147	124½
Do. pref.	7	5.83	121	117	120	121	145	121	116
C. Ind. Alc. (no par)	1.28	4.57	30	25	28	30⅛	15385	30⅛	21¼
Canadian Oil, com.	5	3.33	150	142	149	140	226	150	99
Do. pref.	8	6.78	119	118	119	120	40	120½	115½
Crow's Nest Coal	6	9.52	63	63	63	64½	15	66½	63
Dom. Glass, com.	7	5.83	121	118	121	117½	4516	121	104
Do. pref.	7	6.25	113	112	113	112	60	114½	111¼
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	26	26	26	26	25	30	24
Do. pref.	7	7.00	..	...	...	...	...	95	92½
Famous Players, com.	.	...	30	28	30	26	143	30	20
Do. pref.	8	8.24	98	97	98	97	129	101	93¾
Gilman, com.	6	4.91	..	...	...	...	...	x127¼	104½
Do. pref.	7	6.03	..	...	...	...	...	125	114
Goodyear Tire, pref.	7	7.00	100½	99½	100½	99	469	109	94½
Holt, Renfrew, com.	.	...	43	43	43	43	10	43	43
Do. pref.	7	7.77	90¼	90¼	90¼	92	15	92	85
Hunt's, Ltd., com.	.	...	22¾	22½	22½	22½	30	22¾	20
Do. pref.	.	...	93	93	93	93	10	95	92½
King Edward Hotel	.	...	42½	41	41	42	270	60	20
Laura Secord	.	...	29	28	28½	29	240	31	28
Do. pref.	7	6.79	104	103	103¼	103½	133	104½	102
Lyall Construction	.	...	..	...	...	...	...	45½	35¾
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.73	..	...	...	...	...	105	96½
Nat. Brew., c. (par $25)	4	5.69	70½	68½	68½	70	3432	71¾	65
Do. pref.	7	6.51	..	...	...	...	...	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	6.54	..	...	...	...	...	81	65
Pacific Burt, com.	6	6.59	91	91	91	87	10	91	87
Do. pref.	7	6.66	105	103	105	103	29	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	..	...	...	...	...	107	90
Rogers, Wm., com.	.	...	79½	79½	79½	78	8	80	64
Do. pref.	7	7.14	98	98	98	98	30	100	92
Sher-Williams, com.	6	4.05	148	148	148	150	10	155½	142
Do. pref.	7	5.93	118	117	117	118	10	120½	117
Seagram	.	...	26½	23⅞	24¾	26	12790	27¾	15
Sterling Coal	4	11.76	34	34	34	34	160	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	x8	8
Do. pref.	7	8.33	..	...	...	...	...	89	80
Tuckett Tobacco, com.	4	5.73	69¾	69¼	69¾	69¾	100	72	69
Do. pref.	7	6.66	105	105	105	104	80	106¼	103¾
Woods Mfg., com.	.	...	46	46	46	39	250	46	39
Do. pref.	7	8.53	83	83	83	82	15	89	80
Standard Chem., pref.	.	...	15	15	15	...	50	15	15
Trust and Loan—									
Can. Landed (par $50)	10+1	6.81	99¼	99	99¼	100	99	100½	94
Can. Permanent	12	5.47	220	219	219	220	8	221	216¼
Colonial Invest.	6	...	..	...	...	...	...	7	6
Huron & Erie	7+½	5.28	..	...	...	...	...	142	139
Landed Banking	9	5.29	..	...	...	...	...	170	161
Montreal Loan (par $50)	12+1	6.19	50	50	50	52¾	31	52¾	50
National Trust	12	4.76	252	252	252	250	54	255	232
Do. Rights	.	...	..	...	...	...	...	25	20½
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	7.00	..	...	...	...	...	100	100
Toronto Gen. Trusts	12	5.00	240	240	240	240	89	240	220
Toronto Mtge. (par $50)	10+1	5.34	..	...	...	...	...	103	100
Union Trust	7	6.48	..	...	...	...	...	110	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	.	...	..	...	...	...	...	98¾	98
Attendu Engine (par $2)	.	...	21	16½	18	17½	825	35¼	14
Beacon Oil	.	...	17	16	17	17⅛	89 0	20¾	15¾
Belding, com.	6	8.16	..	...	...	...	...	88	70
Do. pref.	7	7.00	..	...	...	...	...	100	100
Br. Am. Oil (par $25), new	80c	3.00	27½	26¼	26¾	27¾	13699	28	20
Brew. & Distil. (par $5)	.	...	4¾	4¾	4¾	4½	280	5¼	4½
Can. Brewing	.	...	..	...	...	...	...	30¼	24
Can. Light & Power	.	...	32	32	32	34	55	35	20¾
Can. Nor. Pr., c. (no par)	.	...	51	51	51	51	21	52	42
Do. pref.	7	7.07	98	98	98	99	3	99½	98
Cockshutt, pref.	4	5.00	81½	79	79	80	2540	82	70
Continental Oil	$1	5.55	18¾	18½	18½	19	35	22½	18⅞
Cosgrave Brew. (par $10)	5	7.14	7⅛	6½	6½	7	405	8	7
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10¾	10¾
Do. pref.	4	7.92	..	...	...	...	...	50½	50½
Dom. Engineering	8	4.44	168	168	168	170	2	180	135
Dom. Power, pref.	.	...	..	...	...	...	...	101	100½
Dryden Power (no par)	.	...	14	13½	13½	14	610	15½	11
Eastern Dairies (no par)	.	...	25½	25	25	26	135	27½	20
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	..	...	...	...	...	80¼	72½
Good. & Worts (no par)	$1	1.77	59¾	56½	56¾	59⅝	6551	64	43
Hiram Walker	.	...	47	43½	45¾	43¼	21530	47¼	28½
Illinois Power, pref.	7	7.03	99½	99½	99½	99½	8	100½	98
Imperial Oil	$1+12½	2.48	45½	43½	43⅞	43¼	8889	47	37¾
Imp. Tobacco, c. (no par)	6	...	7	6⅞	7	6¾	2480	7	6¾
Inter. Petroleum	75c	2.41	31½	30¾	31¼	31⅛	2957	35¼	30⅝
Manitoba Power (no par)	.	...	54	53	53	55	20	58½	50
McColl, com. (no par)	80c	2.10	40¼	36	37	35½	6449	40¼	29½
Do. pref.	7	6.08	116½	110½	111	109½	240	116½	100
Mount Royal, com.	.	...	4	4	4	5	2	6	4
Do. pref.	.	...	52	51½	52	55¾	60	55¾	54
McDougall	.	...	26	24	26	28	10000	37	24
North Star Oil, com.	.	...	255	250	255	250	300	255	115
Do. pref.	7	1.40	4.95	4.90	4.90	4.90	1020	5.01	1.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	20	20	20	20	14	25	18¾
Do. pref.	.	...	47	47	47	47½	40	48¾	47
Ottawa River Pr. (no par)	.	...	26	26	26	25	15	26	25
Do. pref.	.	...	..	...	...	...	...	46	46
Paton Mfg., com. (no par)	.	...	60	59¾	59¾	52	50	60	52
Do. pref.	.	...	98½	98	98	99	65	100	98
Power Corp., c. (no par)	.	...	33¼	31½	33	32	1847	33½	27¼
Do. pref.	6	6.23	96¼	96	96¼	96	15	97½	94
Port Alfred, pref.	7	7.21	..	...	...	...	...	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	120	110	119	110	224	121	96
St. Maur. Valley, com.	.	...	55	54	55	55	160	57½	47
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100½
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	2.00
St. Law. Pap., c. (no par)	.	...	47	47	47	48¼	5	54	39¾
Do. pref.	8	7.54	106	104	106	107	85	108	105
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	...	..	...	...	...	...	1.50	1.50
United Secs., com.	.	...	53½	52	53½	52	42	53¼	43½
Do. pref.	6	5.76	105	104	105	104	86	105¼	103½
Volcanic Oil	63c	1.46	43½	43½	43½	43½	5	43½	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6¼

xQuotations for 1926 No sales recorded in 1927 to date.

Pulp & Paper

ANGLO-CANADIAN MILL TO OPERATE BY END OF YEAR

Frank Clarke Tells British Newspaper Owners of Progress

At the annual meeting of the Daily Mirror Newspapers, in London, Eng., reference was made to progress at the new plant of Anglo-Canadian Pulp and Paper Mills in Canada. This company is a subsidiary of the Daily Mirror and its associate companies.

Frank W. Clarke, vice-president of the Anglo-Canadian Company, gave an outline of the progress achieved and stated that two machines would be operating in December. He said in part:

"In August work was started on the construction of the plant. The site, which is a very favorable one, situated in the heart of the city of Quebec, is on tidewater, and in order to enjoy the full benefit of its location the company is building 1,400 ft. of deep-water wharf, where the largest ocean vessels entering the St. Lawrence River can berth. The advantages of this site to anyone familiar with paper mill operations are quite obvious. We have not only the advantages of ocean transportation for our product and raw material, such as pulpwood, coal, sulphur, etc., but also of inland water transportation and a connection with both of the large Canadian railways, the Canadian Pacific and Canadian National.

Fine Labor Centre

"Quebec is regarded as one of the best labor centres in Canada, and the advantage of our location in this respect will undoubtedly reflect itself in the balance-sheet when the company starts operating.

"The design of the mill itself has had the most careful consideration, and I have no hesitation in saying that it will be regarded as one of the most efficient and up-to-date paper mill plants in the world. The construction work on the mill itself was started in November last, and the progress of the work, in spite of the fact that we had to contend with Canadian winter weather conditions, has been very satisfactory.

"Unless unforeseen delays occur over which we have no control, we have every expectation of having the first two paper machines in operation in December this year. As soon as the first two machines are working we shall immediately commence the installation of the two other machines and hope to have them ready for operation by June of next year. When the four machines are running the mill will have a capacity of at least 110,000 English tons yearly.

Good Raw Material Supply

"As regards our supply of raw material—that is, pulpwood—we are very well pleased. Our acquisition of the Montmorency Limits, containing over 2½ million cords of pulpwood, enables us to secure a large proportion of our wood at a comparatively short distance from the mill at a cost delivered to the mill plant which compares very favorably with other big mills now in operation. In addition to this, we have, of course, over eight million cords of wood on the Manicouaggan River, which is a very valuable additional supply. The 10½ million cords of wood represent, roughly, 8,000,000 tons of newsprint paper.

McInnis and Hardy Praised

"We have been very fortunate in securing the services of Mr. R. A. McInnis as general manager of the company. Mr. McInnis is regarded as one of the ablest paper mill operators in Canada, and we are already benefiting very materially by his collaboration with Mr. George F. Hardy, our consulting engineer, in the design of the mill.

"I might add that while there are indications of some over-production of newsprint in America, I have every reason to believe that the situation is well in hand, and while for the next two years and during the start-up of our plant we must expect to go through the usual difficulties which any new enterprise must face in getting under way, I believe that these difficulties, by foresight, will be reduced to a minimum. I also believe you will find when our mill is in full operation that it will compare favorably in profits per ton of output with any of the large paper mills of similar size in Canada or the United States."

Talk of Paper Mill Near Nelson, B. C.

NELSON, B.C.—Word comes from Portland, Oregon, of a new paper company to be organized by eastern capital near this city. This pulp and paper concern, it is said, will operate at the start under the charter of the Kootenay Pulp and Paper Co., a concern which has just been acquired by those capitalists interested in the newly proposed projects. The plans include a pulp and paper plant to cost around $4,000,000 and hydro-electric development that would run several million more. The paper plant would be in the vicinity of Nelson and the power project on the Pend d'Oreille River.

Western Canada Pulp Sells Assets for $450,000

From Our Own Correspondent.

MONTREAL.—Everly Davis, of New York, has purchased the assets of the Western Canada Pulp and Paper Company at Howe Sound, B. C., for $450,000.

The sale was made by the liquidators of the Home Bank, G. T. and I. E. Weldon. The pulpmill was sold for $100,000 and the timber limits comprising about 19,000 acres at Port McNeil, on Vancouver Island, were sold for $350,000. It is understood that the bank carried this asset on its books at a value of $2,000,000. The price which was obtained by the liquidators, while materially below the book value of the property, is generally regarded as being very satisfactory.

Lake St. John Paper Expects to Deliver Paper by Year End

It is now expected that the Lake St. John Power and Paper Co. will complete its mill and begin to deliver paper by the end of this year. At the present time the company has about 900 men on the construction, which will be increased to about 1,200 men on May 1st. The cost of this development is about $8,000,000. The supply of pulpwood for the mill is already prepared and the winter's cut has been completed.

The railway extension of 27 miles from St. Felicien to the mill will be carried out by the Canadian National Railways. The bridge work has been under construction for some time and tenders are at present being called for the grading. It is expected that the railway will be completed to the mill by July 31st next. In the meantime materials will be transported to the mill by water.

Two paper machines, which are 245 inches wide, are being built by Dominion Engineering Works at Lachine, Que. Practically all the other equipment for the mill has been purchased in Canada. Local labor is being employed as much as possible in the construction of the plant.

Capacity of the mill is 220 tons per day of newsprint paper. This entire output is sold for a period of ten years for delivery in New York City.

Whalens Dislike Sale to B.C. Pulp Company

From Our Own Correspondent.

MONTREAL.—Advices from Vancouver indicate that James Whalen, George Whalen and Verna Dangerfield have instituted proceedings for the annulment of the judicial mortgage foreclosure sale of the assets of the Whalen Pulp and Paper Company, which took place on Oct. 25, 1925. The property was bought by the B. C. Pulp and Paper Company from the Receiver at public auction because of the failure of the original company to meet its bond interest requirements. When the sale was made, in addition to the claims of the first mortgage bondholders, there were also claims of $4,000,000 of the second mortgage debenture holders and the claims of the shareholders who held stock to the par value of $8,000,000.

Homestead filings in Western Canada during the first quarter of 1927 totaled 1,030, as compared with 1,282 in the corresponding period of 1926.

PAPERBOARD CO. FINDS DEMAND IS INCREASING

Competition Was Somewhat Keener in Fiscal Year Just Concluded

From Our Own Correspondent.

MONTREAL.—It is impossible to form any accurate estimate of the earnings which will be shown in the Canadian Paperboard Company. During the year just concluded, the demand for paperboard increased, yet competition was somewhat keener with the result that the companies in the paperboard industry were quoting a little lower prices. As yet, the company itself has not completed making up the figures which will appear in the income account of the annual report.

For the fiscal year which ended March 31, 1926, the earnings after all charges were equivalent to over 17 per cent. on the preferred shares. This was the first year in which the preferred stock was outstanding. Moreover, as the company at that time, altered the close of its year from June to March, the last annual report covered only a nine months period. So that earnings this year applicable to the preferred, the only issue in which there is an investment interest, should be higher than a year ago. The present price at which the preferred shares are changing hands is in the neighborhood of $95.

Expansion Was Rumored

Many rumors regarding the company have been in circulation of late. It was said that a new plant would be erected at Brantford, amongst other locations, and that the pulp plant of the old Bear River Company in Nova Scotia would be acquired.

The situation regarding the further expansion of Canadian Paperboard remains practically as it has always been. Since its inception the company has experienced good business and has steadily expanded. In view of the situation surrounding the company and its activities, the management would be asleep if it were not continually on the lookout for possible avenues of expansion—many of these, however, would not necessarily be developed.

Plant locations have been inspected at Brantford, Ontario, as they have also been elsewhere in that province, but the management has not reached anything like a definite decision as yet. It has not even been definitely decided that another plant will be erected. The whole matter is still in the air.

Possible Expansion in East

Regarding the possible expansion in Nova Scotia, it is known that interests closely associated with Canadian Paperboard have been investigating the possibilities of the Bear River plant, but as yet there is no evidence which indicates that the plant will be acquired.

The company operates at the present time three plants, one each in Frankford and Campbellford, Ontario, and one in Montreal. From these plants the output consists of various grades and types of paperboard. The production of the company fills from 25 to 30 per cent. of the entire paperboard demand in Canada. Some export business is done and occasionally some of the production finds its way to the United States, despite the 25 per cent. tariff there. However, the export business absorbs only a very minor portion of the output.

The paperboard is manufactured from waste paper and from pulp. About 80 to 85 per cent. of the raw materials consist of waste paper. The company manufactures part of its pulp requirements and purchases the remainder from chemical pulp companies.

Position of Parent Company

At the time the preferred shares were first offered the public, a bonus of half a share of Northern Paperboard stock was given with each share of Canadian Paperboard preferred. The Northern Paperboard holds the controlling stock interest in both the Canadian Paperboard and the Tidewater Paperboard Company, which operates a mill in the U. S. The last company is really only in the initial stages of operation; Tidewater Paperboard has just completed its first ten months of operation.

The Canadian Paperboard Company owns the common stock of its subsidiary, the Quinte and Trent Valley Power Company, which only got into complete operation last June. Since that time the subsidiary has been supplying the parent company with power. From the power company, the parent organization is obtaining power at lower rates than formerly; it is thought that during the current fiscal year this subsidiary development will begin to yield Canadian Paperboard something satisfactory in the shape of profits, for not only does it supply the Campbellford and Frankford mills with power, but it also holds contracts with other industries in that territory and also with the Frankford Electric Light Company.

Has Real Equity in Plants

The Canadian Paperboard has a real equity in the common shares of its power subsidiary; an equity which in cash is said to be equal to almost one-third of the total investment in the property. The subsidiary power company was financed by the sale of bonds and preferred shares to the public, and by the sale of the common stock to the parent company. The subsidiary's preferred is now selling around $99.50.

It might be argued that, if Canadian Paperboard undertakes further expansion, this could only be profitably accomplished by obtaining most of the further business necessary for expansion from other Canadian paperboard manufacturers—especially as the company operate chiefly in the somewhat restricted Canadian market.

But this is not necessarily so, for the domestic demand for paperboard is on the increase—an increase which, it is anticipated, will be continued, for the per capita consumption of paperboard here is considerably below that of the U. S. Then, again, some grades of board are not manufactured in Canada, with the result that there are some imports of paperboard. Finally, should the company decide to erect a new mill, it would undoubtedly be located where favorable advantage could be taken of freight rates.

Reasons for Progress

The chief factor underlying the progress of the company has been the increasing demand for paperboard to be used as a container for the many commodities handled by the retail trade generally. The consumption of cardboard on this continent is now nearly equal to that of newsprint.

The plants at present have a daily production of over 125 tons of cardboard; this output is being increased.

(Continued on page 7)

Investment Securities
Newman, Sweezey & Co.
LIMITED
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Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
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Cable Address: "SAGUENAY, CHICOUTIMI"

St. Maurice Valley Corporation
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Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

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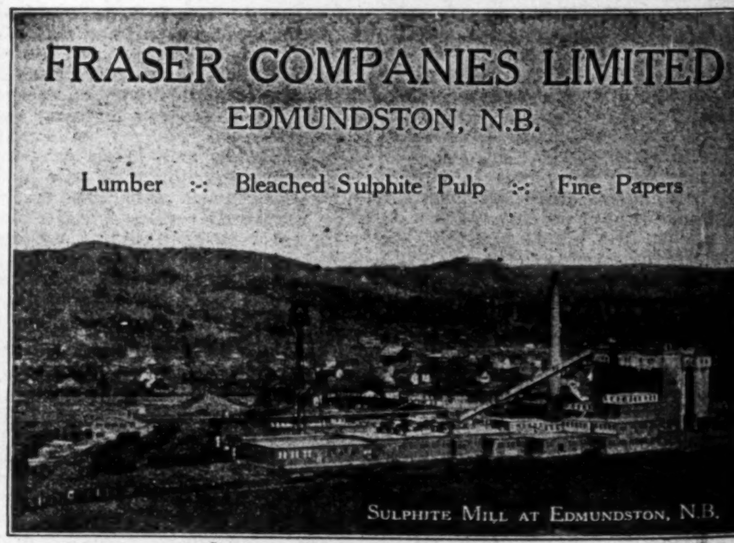
SULPHITE MILL AT EDMUNDSTON, N.B.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Pulp & Paper

(Continued from page 6).

PRICE BROTHERS' POSITION STRONG BUT PROFITS OFF

President Says Surplus Newsprint Situation Likely to Continue This Year

From Our Own Correspondent.

MONTREAL.—The annual report of Price Brothers & Company for the fiscal year ending February 28 last, shows a marginal decline in gross earnings and a not inconsiderable drop in the net applicable to the common shares. But the balance sheet position remains satisfactory and indeed shows one specially marked improvement in that the deferred assets which last year stood at $1,060,662 have been reduced to $245,172. The reduction was caused by finally writing-off the cost of the repairs to the Kenogami plant; these repairs were caused by a landslide some years ago. The cost of the repairs was spread over a period of three years; this resulted in carrying a very large intangible asset under the head of deferred assets. The figure carried under this head now represents entirely payments which have been made for insurance, etc., and the balance sheet position is therefore the stronger. The result of the year's operations is disclosed in the following figures which compare the income account figures and the working capital figures over the past three years:

	1926-27	1925-26	1924-25
Net profit	$4,063,211	$4,263,190	$3,128,125
Deduct:—			
Interest	905,368	786,096	600,000
Deprec'n.	1,541,263	1,199,604	1,189,364
Ken. rest.	......	482,369	....
Net inc.	1,616,580	1,795,121	1,338,761
Pfd. divids.	455,000	455,000	....
Balance	1,161,580	1,340,121	1,338,761
Com. divids.	853,664	853,664	853,664
Surplus	307,916	486,457	485,097
Prev. surp.	1,921,995	1,573,038	1,568,318
Total	2,229,911	2,059,495	2,053,415
Refinan.	......	137,500	480,377
P. & L. bal.	2,229,911	1,921,995	1,573,038
Earn. on com.	2.72%	3.14%	3.14%

Working Capital Position

	1927	1926	1925
Cur. assets	$9,376,561	$9,241,586	$7,217,855
Cur. liabs.	4,326,845	4,193,083	1,693,404
Net W. C.	5,049,716	5,048,503	5,524,451

Balance Sheet Position

The balance sheet changes include the increase in the current assets and current liabilities revealed in the foregoing figures; the chief change in this part of the exhibit was the increase of about $1,000,000 in the inventories, thus reflecting the increasing activities of the company. Bank loans are sharply lower by $1,638,000, but other loans have jumped up to $2,000,000 from $229,000 last year.

Elsewhere, the balance sheet shows that property account has been increased nearly $2,000,000 to $63,651,667, and total assets have reached $75,433,312, as against $74,155,845 in the previous year. Bonded debt has been reduced by $355,000, through the redemption and cancellation of this amount of bonds. Reserves and surplus reflect the appropriations and transfers made from profit and loss account.

Some Significant Words

A significant note regarding the present surplus capacity of the newsprint mills on this continent is struck by John H. Price, the president of the company, when he says in part in his remarks to the shareholders:

"The construction work in connection with the doubling of the capacity of the company's mill at Riverbend is proceeding satisfactorily.

"In the last two months of the fiscal period the earnings from the paper mills fell short of previous months, on account of the necessity of curtailment in output, and it would appear that this condition of the market is likely to remain with us at least during the current year."

Eastern Dairies' Sales Increased 20 Per Cent.

From Our Own Correspondent.

MONTREAL.—During the four months' period ending January, 1927, the component companies now merged under the management of the Eastern Dairies, Ltd., showed an average increase in sales of over 20 per cent., as compared with the same four months of a year ago. During the month of October the increase amounted to 16 per cent.; by January the figures had increased to 22.8 per cent.

The Eastern Dairies acquired the Crescent Creameries, Limited, on April 1. This is the largest dairy in the province of Manitoba and operates three plants in the city of Winnipeg with six branches throughout the province. There is a seventh branch in Saskatchewan at Yorkton.

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Mile a Minute of Newsprint Paper

From Our Own Correspondent.

MONTREAL.—The four machines of the new International Paper Company's mill at Chelsea have been constructed to operate over a speed of 1,000 feet per minute each. Thus, when finally completed, the mill will be able to produce almost one mile of newsprint paper a minute.

PAPERBOARD CO. FINDS DEMAND IS INCREASING

(Continued from page 6)

The groundwood pulp mill at Frankford has a rated daily capacity of 20 tons. The power subsidiary has an installed capacity of 4,000 h.p., which can be increased to 6,000 h.p. by the installation of a generating unit.

The outlook for the future appears to be satisfactory. In the past few years, gross earnings have shown but little tendency to increase, but this has been due to the decline in the price of the product. For the future, there seems little doubt that the demand for paperboard will continue to increase, and, as it increases, Canadian Paperboard should be able to obtain its share of the business. The company operates under an able management, which is headed by J. G. G. Kerry as president, whose abilities have long been recognized, especially in his own professional field, namely, that of engineering—a field which plays a prominent part in the manufacture of all pulp and paper products.

Shawinigan Rights Might be Only $3.50 per Share

From Our Own Correspondent.

MONTREAL.—It is rumored that the Shawinigan Water and Power Company will require at least $5,000,000 in new financing which will be obtained by the issuance of valuable rights this year to the shareholders. It is understood that a sum at least equal to this amount will be required to purchase the company's new allotment of the Quebec Power Company's stock and also to pay for extensions, such as the Duke-Price transmission line; some of the cost of these extensions has probably been met by the issuance of bonds.

Shawinigan has at present outstanding 1,100,000 shares of no par value stock. It seems possible, therefore, that the company might offer one new share at $50 for every ten shares outstanding. This would net the treasury $5,500,000. One of the reasons for the strength in Shawinigan shares lies in the anticipated issue of stock. But the issuance of rights along these lines would amount to only about $35 for every ten shares held, or $3.50 a share. This hardly seems sufficient to warrant the recent jump in the price.

Lethbridge press makes report of a search for oil in an entirely new area of Southwestern Alberta, as foreshadowed in two days' filing at the Lethbridge Dominion Land Office, during which some 80,000 acres are reported tied up in the Cypress Hills territory, about 40 miles southeast of Medicine Hat.

WITH CAPITAL CUT, COMMERCIAL LOAN DECIDES TO QUIT

Company Finds it Necessary to Liquidate by Voluntary Action

From Our Own Correspondent.

WINNIPEG.—With the voluntary liquidation of the Commercial Loan & Trust Company, a small concern whose transactions have been little more than nominal in its closing days, there practically passes a company which has been doing business in Western Canada for almost 28 years.

The nominal capital stock of the company is $2,000,000 made up of 40,000 shares of $50 each of which $213,001.90 is paid up.

Unable to Continue in Business

The winding up is effected as the result of a resolution passed at a meeting of directors held March 25, 1927, at which the following resolution was passed:

"Whereas in view of existing liabilities, obligations and difficulties of the company it appears that although the company may be solvent as respects creditors, yet the directors are satisfied that the company cannot continue its business and that it is advisable to wind it up;

"And whereas the capital stock of the company is impaired to the extent of 25 per cent. thereof and the directors are satisfied that the lost capital will not likely be restored within a year, and in fact that there is no likelihood of the same being restored at all;

"And whereas the business of the company has been carried on for some years at a loss and in the opinion of the directors it is just and equitable that the company be wound up;

"Be it therefore resolved that in the opinion of the directors of the company The Commercial Loan and Trust Company should be wound up and it is hereby resolved further that the solicitors of the company be instructed to petition for the winding up of the company and to consent thereto."

The company has not paid dividends for several years.

The last auditor's report of the company was dated February 24 of this year and contains the statement for the year ending November 30, 1926. According to this the assets are $173,237.09. Indebtedness (not including shareholders and treating guaranteed trust accounts and savings deposits as secured), is shown as $33,742.67, leaving a balance of $139,494.42. The subscribed capital stock is shown as $239,850, upon which $25,848.10 is unpaid, leaving $213,001.90 as against assets of $131,494.42.

The auditors' report shows that the assets of $172,237.09 are really worth much less than appears in the balance sheet.

Canadian Department Stores Report High Sales

Canadian Department Stores, Ltd., a recent merger of 22 stores in Ontario and Quebec, report a very satisfactory Easter trade. Individual stores in the chain have shown a marked increase in business over last season both from the standpoint of volume and the number of individual sales.

CORPORATION TAXES PROVIDE BIG INCOME

One-fifth of Provincial Revenues Accredited to Source

One-fifth of the total revenue of the various provincial governments during the fiscal year 1925 was received through the medium of corporation taxes. Altogether $26,245,755 was paid into the different provincial treasuries during the year, as compared with $23,806,014 in 1924; $22,357,553 in 1923; $21,966,378 in 1922; and $18,360,120 in 1921. Next to licenses and permits, this is the largest source of provincial revenue.

Analysis of the returns show that commercial companies contributed the largest sum during 1925, amounting to $2,461,010, an increase of $138,288 over 1924. Insurance companies were next in importance, contributing $1,660,310; followed by railways with $1,525,699; financial (including trust companies) $979,950; telephones, $168,845 and gas and electric companies, $123,530. Varied amounts were also received by the provinces from other types of corporations, such as grain elevator companies, express companies, street railways, light and power, steamship companies, etc.

There is a wide divergence of charges payable to the different provinces. Quebec, for example, derives revenue from trust and commercial companies only; British Columbia, under the insurance act; and Saskatchewan from insurance, railways and miscellaneous. Other provinces tax the majority of different types of corporations and revenue received through this medium ranges from $47,653 in the case of British Columbia to $3,292,143 for Quebec. The following table shows revenue received by each province from corporation taxes during the fiscal year 1925:

P. E. Island	$ 32,809
Nova Scotia	523,101
New Brunswick	125,000
Quebec	3,292,143.
Ontario	2,555,408
Manitoba	657,358
Saskatchewan	797,270
Alberta	812,086
British Columbia	47,653

It is notable that in those provinces which only tax a limited number of corporations, that revenue is made up from succession duties. Ontario leads in this respect, closely followed by Quebec. British Columbia derives over $700,000 income from this source, as compared with less than $50,000 from corporation taxes. Comparative figures on succession duties received by all provinces during 1925 follow:

P. E. Island	$ 15,288
Nova Scotia	258,407
New Brunswick	290,529
Quebec	2,423,149
Ontario	5,786,893
Manitoba	592,257
Saskatchewan	287,697
Alberta	459,659
British Columbia	708,880

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Public Utilities

BARCELONA'S GAIN RISES AS SPAIN'S POSITION BETTERS

Company Sells Unprofitable Subsidiary While Power Output Grows

Barcelona Traction, Light & Power Co. for its fiscal year ended December 31, 1926, increased its gross revenue and net profit after provision for depreciation and appropriations for bond service and sinking funds. The gross revenue in 1926 was $4,030,089, compared with $3,678,334 in 1925. The net profits were $1,783,882, compared with $1,248,096 the previous year. The company in 1926 paid preferred dividends totaling $1,729,509, compared with $1,162,445 the previous year. The corporate surplus, arising entirely since the reorganization of 1924, is now $214,695. It was $160,323 at the end of 1925.

The report of the board directs attention to redemption of the whole of the outstanding 7 per cent. prior lien A bonds of the company. To provide part of the funds for this purpose, a further 19,445 preference shares were sold at par. In the year, also 30-year bonds to the value of 2,000,000 pesetas were sold and the proceeds applied to the capital expenditures of Edbro Irrigation & Power Co.

Profit and Loss

	1926	1925	1924
	$	$	$
Gross revenue ..	$4,030,089	3,678,234	2,999,287
Less:			
Service of bonds	1,667,184	1,810,203	1,815,761
Int. 1st mtge. bds.	382,264	423,782	603,327
General expenses	196,759	196,153	505,527
Net profits	1,783,882	1,248,096	74,672
Pref. dividends ..	1,729,509	1,162,445	......
Surplus for year	54,373	85,651	74,672
Prev. surplus ..	160,322	74,672	......
P. & L. balance	214,695	160,323	74,672

The company's interest in the Ferrocarriles de Cataluna was disposed of during the year which in part explains the reduction in the capital-expenditure account. The board decided, shareholders are told, to proceed with the sale for the reason that the results during the last few years from the operation of the railways were not satisfactory, that further capital would have to be provided for construction and that the competition from other transport services was increasing. Under the terms of the sale, the company will receive a block of its 5½ per cent. first mortgage bonds for cancellation in addition to a sum in cash, and as part of the arrangement the purchaser subscribed for 12,750 of its ordinary shares.

Future is Brighter

F. Fraser Lawton, president of Ebro Irrigation, Barcelona's principal subsidiary, says in his report to the directors, which is an appendix to the directors' report, that while no great increase in business can be anticipated in the current year, reasonable progress is in sight. In the last year, there has been somewhat less than the normal number of new house lighting services installed for the reason that building has been at only a moderate rate. The company is conducting a campaign to sell electricity for homes not at present wired for such service.

In the past year, however, there has been an increase of 7.57 per cent. in the total number of lighting and power consumers and an increase of 5.81 per cent. in the connected load. The total electricity generated during the year was 480,886,963 k.w.h., plus 49,408,774 k.w.h. purchased, making 530,295,707 k.w.h. distributed to the company's customers. In 1912, the total was 512,128,089 k.w.h. The entire load was taken care of by hydraulic generation, except the amount purchased and 148,565 k.w.h. coming from the steam plants when these were operated for testing purposes.

Exchange is Factor

Mr. Lawton also directs attention to improving political and economic conditions in Spain which have affected the company favorably. The government which took office on December 2, 1925, remains in office and legislation continues to be effected by royal decree. The surrender of the leader of the Moroccan rebellion, Abd-el-Krim, was a notable event, in Mr. Lawton's opinion, and enabled the government to reduce the heavy expenditure entailed by the war. This, in turn, has materially aided in the improvement in the value of the peseta and thus the company's earning position, translated either in dollars or pounds sterling, is bettered. The rate of exchange on London averaged 33.71 pesetas to the pound in 1925 and 32.72 in 1926. In the early part of this year the rate was still further improved to 28.

Arbitrators Appointed in Montreal Water Deal

From Our Own Correspondent.

MONTREAL. — Both the Montreal Water and Power Company, and the city of Montreal have named arbitrators who will represent them on the Board of Arbitration to determine the price the city will pay the company for its assets.

The city has selected J. Emile Vanier, civil engineer, to represent it on the board, while the Montreal Water and Power Company has chosen Charles Edward Fraser, of Montreal, president of the Fraser Brace Engineering Company. These representatives have now to choose and agree on a third member who will act as chairman of the board.

In the meantime the action of the Montreal Board of Trade to have the courts set aside the purchase has not been withdrawn.

Smooth Young Artist Buncoes Victorians

From Our Own Correspondent.

VANCOUVER.—Several prominent Victoria capitalists, including at least one millionaire with a long record of successful speculation, are somewhat poorer but considerably wiser as a result of the recent visit of a smooth young salesman who condescended to "let them in on a good thing."

The young salesman, who belonged to a well-known Victoria family although he had been out of the city for several years, returned from California dressing at the height of fashion and giving the general appearance of prosperity. He found unquestioned entry into the smartest Victoria homes and to those who cautiously enquired about his activities in California the young man made the frank admission that he had been highly successful in oil investments.

"Averaged 6 per cent. Monthly"

"It is really awfully easy when one knows how to go at it," he told them. "The trouble with most of these oil concerns that go flooey is that they never had any oil. I have floated numerous companies and then purchased producing wells—wells that you can be really sure of. There is nothing to worry about then. The wells simply go on producing and your profits go up."

It sounded simple and alluring, especially when the young man said that he had averaged profits of 6 per cent. monthly on his investments. He was asked whether it would not be possible to organize a company in Victoria with a similar prospect of profit.

The young man did some investigating and finally came forward with plans for the organization of a $100,000 corporation to buy up producing wells in California. One Victoria capitalist invested $30,000. Another put the proposition up to his employees as a good thing and made arrangements for them to share in the enormous returns promised.

Promoter and Money Gone

The money was put up and, sure enough, after the first month the 6 per cent. dividends rolled in. Everything looked well for the first few months. Then the payments were delayed. The young promoter made several explanations, gave assurance that everything would be fixed up satisfactorily shortly, and then left town.

He is still out of town and so is the $100,000. The stockholders have nothing but their stock certificates and the 6 per cent. return which they received for two or three months. They also have a deep-seated conviction that it is just as well to hesitate a while before being tempted to buy securities promising 6 per cent. return per month.

New Branch Opened

The formal opening of the new Bank of Nova Scotia building at North Bay, took place during the week. H. D. Bur assistant general manager, Toronto, wa present for the occasion. The building is of Roman Doric style of architecture, built of Indiana limestone, and of fireproof construction throughout. The cost of the building and equipment is approximately $70,000.

Public Utility Earnings

Canadian Western Gas

	1926	1927	Increase
January	$138,443	$199,753	$61,310
February	126,850	193,421	66,571
Aggr. Earn. from 1st Jan. to 28th Feb.	$265,293	$393,174	$127,881

Twin City Rapid Transit

1st quarter—	1927	1926	P.C. Inc.
Gross rev.	$3,665,898	$3,839,102	—04.51
Operat. exp.	2,608,388	2,794,755	—06.67
Net revenue	1,057,509	1,044,347	+01.26
Fixed charges	576,467	595,987	—03.28
Net income	481,042	448,360	+07.29

—Decrease.

Duluth Superior Traction

1st quarter—	1927	1926	Per cent. Inc. or Dec.
Gross revenues ...	$546,036	$510,105	+7.04
Oper. exp.	408,916	402,557	+1.58
Net revenue	137,120	107,548	+27.50
Fixed chgs. and Taxes	81,055	78,202	+3.65
Net Income	56,054	29,345	+91.05

B. C. Electric Railway

February—	1926	1927	Increase
Gross Earn. ..	$991,479	$1,070,115	$ 78,636
Exp., Mainten.	714,358	756,723	42,365
Net inc.	$277,121	$313,392	$36,271
Aggr. gross from 1st July to 28th Feb., 1927	$8,066,611	$8,503,083	$436,472
Aggr. Net from 1st July to 28th Feb., 1927	$2,346,925	$2,492,317	$145,392

Monterey Railway, Light

8 mos. to Sept. 30—	Gross	Expenses†	Surplus
R. Light & P.	$246,390	$250,402	x$ 4,012
Water. and Sew.	70,114	33,055	37,058
Total	$316,504	$283,457	$33,046
Aggr. earn. from 1st Jan., 1926, to 30th Sept., 1926	$905,396	$837,704	$ 67,692

xDeficit.

†Including provision for renewals and obsolescence.

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active markets, trading in the following securities, and will gladly furnish prices and information on any of these issues:

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Sterling Trust	Canadian Associated Goldfields
Cosgrave's Brewery	Kirk Gold
Loew's Theatres	Fiske Gold
Manufacturers' Finance	Goudreau Mines
Toronto Finance	Howey Units

It is impossible to list all issues here—BUT—if it has a market value, we trade in it.

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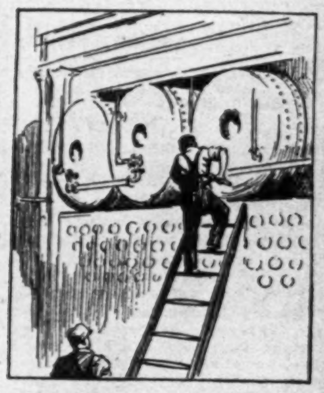

of Steam Power Plants

UNTIL a few years ago, the design and construction of a steam power plant involved compilation and study of often conflicting information and data collected from innumerable manufacturers of individual items of equipment. It was necessary to depend upon each of these sub-contractors, interested only in his particular equipment, for cooperation in fabricating all of the individual items into complete and efficient units. Even then, there was no assurance of definitely fixing responsibility for construction and operating difficulties, nor for failure to fulfill guarantees.

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Combustion Engineering Corporation — combining in its own organization research, engineering, manufacture of all classes and types of steam generating equipment, installation and service — assures complete responsibility for equipment and performance. On its staff are many of the outstanding figures in the fields of combustion and steam engineering, and behind these experts are competent manufacturing, construction and service staffs.

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Experience in equipping steam power plants in all parts of the world and accurate data compiled from this experience, guarantee sound advice and engineering, reliable operation and efficient performance.

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NORDSTROM DRYING TOWERS
HEAD OFFICE — MONTREAL, TORONTO. WINNIPEG. VANCOUVER

PROMOTER HOLDS USE OF ASSETS IN BUFFALO IS JUST

(Continued from page 1)

references for Mr. White. Finally, Mr. Brooks showed a letter from Howard Bissell, president of the People's Bank, Buffalo, which states that, in Mr. Bissell's opinion, the references are "satisfactory."

It might be asked what interest the president of a Buffalo, (N.Y.) bank has in the appointment of assistant to the president of a Canadian industrial company? The answer is that Mr. White is assistant to the president of the Buffalo Brooks company as well as the Canadian company.

"Who pays his salary?" Mr. Brooks was asked.

"Each company pays half his salary," replied Mr. Brooks. "He is such a great man in the automobile industry that neither company could afford to pay for his whole time." In what purports to be a facsimile of a letter from Mr. White, printed in the aforementioned "Special Brooks Bulletin," Mr. White speaks of the "modest" salary he will get as assistant to O. J. Brooks.

Sell Cars; No Payment Down

The relations of Brooks Steam Motors with Steamer Cabs, Ltd., Toronto, is not clearly explained.

"Brooks Steam Motors owns all the stock of Steamer Cabs," said Mr. Brooks in his office April 25.

"Why is it not shown on the balance sheet as an asset?" he was asked.

"Brooks Steam Motors owns the stock as collateral," Mr. Brooks explained further.

Those were used cars which Steamer Cabs bought from Brooks Steam Motors for $1,500 each, while the retail price was $3,685, Mr. Brooks also explained. The reason that Brooks Steam Motors hold the stock of Steamer Cabs as collateral is that Steamer Cabs did not pay any cash for the cars. Mr. Brooks personally, he said, put up $12,000 to get the cab company started.

Shareholders Move

Dissatisfied Brooks Steam Motors shareholders to the number of 225 attended a meeting at the King Edward Hotel, Toronto, on the evening of April 22, and appointed a committee headed by J. J. McCabe to organize the shareholders, get proxies, attend the annual meeting at Stratford April 29, and to attempt to elect a different board of directors.

Summarized, the charges laid before the meeting by F. W. Wegenast, solicitor for the committee, were as follows:

> That the activities of O. J. Brooks in recent weeks indicate an intention to use assets of the Canadian company to benefit the company he is organizing in Buffalo.
>
> That a deposit of $50,000 in the People's Bank of Buffalo is to impress a Buffalo financial group with whom Mr. Brooks is working in the establishment of his Buffalo enterprise.
>
> That the manufacture is to be abandoned of the steam car on which $575,615 has been spent in development expense.
>
> That patent drawings and patterns recently were removed from Stratford.
>
> That it has cost $362,000 to sell $71,000 worth of cars.

Half of Capital Gone

> That the capital of the company has been impaired by at least half of the par value of the preferred stock.
>
> That the auditors appointed by the shareholders at the last annual meeting had been refused access to the books of the company by O. J. Brooks, who had since employed another auditor, N. L. Martin.
>
> That the four existing directors of the company are O. J. Brooks and three of his employees, one of whom is his brother-in-law.

The balance sheet from which items were read by Mr. Wegenast was in far greater detail than the balance sheet of most corporations. Mr. Wegenast declined to say where he had got the sheet, but said that it was authentic. The principal figures since have been compared with the figures on the report shown by Mr. Brooks in his office and were found to correspond.

Assets are:

Current assets, including five bank accounts (one in Buffalo) and $100,000 in bonds of Canada Permanent Mortgage Co., total $1,097,570.

Fixed assets, the principal item of which is the factory at Stratford, are given at $293,640.

Under deferred assets are given the $675,615 expended in the development of the steam passenger car, of which 120 have been manufactured, and $637,606 called organization expense and is, roughly, the cost of raising the capital.

Liabilities are:

First mortgage on the plant, $42,500. This item is guaranteed by the municipality of Stratford.

Wages accrued as at December 31st totalled $1,298.

Deferred liabilities amounted to $656.

Two items which are not clear are capital surplus "from revaluation of company's assets" at $106,286, and premium account at $60,560.

Still Peddling Stock

The 250,000 shares of 8 per cent. cumulative preferred stock of $10 par value is shown as a liability of $2,500,000. The fully paid preferred amounts to $1,765,370, and the subscribed, and partly paid for, amounts to $734,630. The common shares are carried on the books as worth $5. There are 500,000 of these shares.

Although it was announced by Mr. Brooks last fall that the sales of stock had ceased, Mr. Wegenast told the shareholders that about January 1st last two entries in the books show transfers of stock from the company to Brooks Securities Co., and Banking Service Co., another Brooks company, amounting to $712,000. These companies, or agents, still are selling stock to the public, he declared.

Mr. Wegenast told the assembled shareholders that the company's condition as revealed by the balance sheet and from other sources indicated that the shareholders need to take action immediately to save a part of their investment.

"What can be done?" asked someone.

"There, you have me," said Mr. Wegenast, "I don't know."

Would Oust Brooks

"Mr. Brooks," he continued, "has been president of five other companies from which the shareholders in their own interests have found it necessary to oust him. The case of the Toronto Finance Co. is being carried to the privy council.

"Whether that course is feasible in this instance is doubtful. In Brooks Steam Motors he is supreme. In the other cases he was a minority of the boards of directors. Here he is a boss; he is president, and his brother-in-law and two other employees are the only other directors.

"In my opinion the first and best effort that can be made will be to elect a different board of directors. I don't know if that can be done. I cannot tell how many shares of stock Mr. Brooks and his immediate associates own, and there may be many thousands of shares in proxies sent in to him.

Says Preferred Votes

"Our best hope probably lies in the fact that, as dividends have not been paid for two years, the preferred stock will vote. Unfortunately, a week is a brief time in which to organize an effective fight. But it may be possible and advisable, to delay the annual meeting on the ground that the audit has not been made by the auditors elected by the shareholders."

Brooks adherents and Brooks employees were scattered about the room.

In the discussion on the motion to appoint the McCabe committee, a man who gave his name as Sweeney, spoke ostensibly in favor of protesting shareholders. He suggested that, as the time was so short, the committee should have authority to carry on after the meeting.

"It was a fine speech Mr. Sweeney made," commented Mr. Wegenast, "but he gave it a little twist at the end which revealed his purpose as an adherent of Mr. Brooks."

Says Speaker Untruthful

"I don't know Mr. Brooks, never have seen him and hope I don't ever have cause to know him," says Sweeney.

"Well," said Mr. Wegenast, smiling, "You people shouldn't believe him. There are others in the room who will recall that it took half an hour to get Mr. Sweeney out of a Toronto Finance Co. meeting after he had hobnobbed with Mr. Brooks. I know Sweeney."

F. W. Dover, former general manager of Brooks Steam Motors, and another individual who gave his name as Wilkinson and who was said to be one of the directors of Brooks Steam Motors took up much time of the meeting arguing as to whether or not Mr. Dover should be believed as a discharged employee when he told of conditions which, he said, give shareholders reason to be perturbed over their investment.

Get 4 Per Cent. in Canada

An excitable woman shareholder in the back of the room refused to accept Wilkinson's explanation as to the reason for the Buffalo deposit.

"It's the difference between three per cent. and four per cent.," said Wilkinson.

"You could have had four per cent. from a trust company in Toronto," called a voice.

Another Brooks speaker boasted in the course of his defence of O. J. Brooks that he had recently caused a man to trade C. P. R. stock for Brooks Steam Motors stock.

Brooks Sykes, a director of Toronto Finance Co., and an antagonist of O. J. Brooks of long standing, rushed into the fray when a Brooks employee suggested that Toronto Finance was not in such good condition at present as when O. J. Brooks was in control.

What "Development" of Steam Cars Has Cost in Last Year

Schedule of Car Development and Other Expenses to be amortised for year ending December 31, 1926

Car development sundry, 1926		$ 150.22
Administration expenses		11,783.83
Accounting and general office exp.		13,504.91
Purchasing expense		2,810.25
Production engineering expense		4,230.22
Engineering expense		23,355.65
Blue print expense		112.88
Service expense		16.88
Truck expense		220.86
Travelling expense		4,012.19
Inspection expense		3,063.50
Taxes on plant, (municipal)		2,120.20
Service department expense		674.70
Legal		919.13
Patent		10.00
Service Toronto DE. car		293.89
Service factory test car		1,250.48
General experimenting expense		5,107.88
Plant insurance		3,486.55
Workmen's Compensation		1,115.59
Service on cars sold		985.40
Test department expenses		2,556.56
Chemical laboratory		21.62
Stores expenses		5,536.59
Care of land		281.82
Building and repairs		1,171.46
Repairs, machine tools		1,608.27
Repairs, electric machinery		1,415.89
Repairs, plant, furniture & fixtures		2,636.94
Repairs, office furniture & fixtures		220.61
Small factory tools used		4,085.97
Used factory supplies		7,531.72
Power, light and heat		5,175.24
Freight		2,003.45
Duty		340.60
Exchange		530.91
Rectifying spoiled work		5,969.91
Expense, due to change in design		2,792.08
Spoiled work—Outside		1,739.08
Repairs, "patterns"		111.72
Excess manufacturing cost		644.69
Idle time		75.07
Car insurance		826.85
Factory expense		1,197.24
Stores, adjustments		40.65
Int. on bonds, accrued to 31/12/26		102.46
		2,475.00
Non-productive labor, cleaning		3,096.13
Non-productive labor, general		1,590.34
Non-productive works, manager, foreman, etc.		21,296.23
Truck driver		952.16
Watching		2,811.60
Interest expense		2,058.95
Cost of general sales		138,821.87
Commission on sales		125.00
Travelling expense, sales		54.98
Office expense, sales		70.20
Advertising expense, sales		2,875.78
Demonstration expense, sales		2,183.61
Crating, loading, shipping & storing		866.67
Toronto branch, general expense		24,169.26
Ottawa branch, general expense		8,196.17
Toronto branch, service		988.81
Toronto branch, policy		.12
Montreal branch, general expense		25,099.50
Montreal branch, service		799.92
Ottawa branch, service		580.74
Ottawa branch, policy		50.68
Pettigrew trip west		1,348.01
H. H. Burner, Toronto expense		939.18
		$362,813.01
Less Sundry Revenue		
Sundry income		$ 270.10
Interest earned	$2,254.14	
Less deferred charges	553.50	
		1,700.64
Purchase discounts		1,129.93
Sales, cars and parts		71,697.63
Sales, exterior orders		681.43
Overhead absorbed		56,428.12
Toronto branch—Profit and loss		3,079.94
Montreal branch—Profit and loss		5,073.57
Storage, prepaid		170.00
Ottawa branch—Profit and loss		827.82
		$141,059.18
		$228,253.83
Development expense, 1924		229,549.27
Development expense, 1925		218,012.18
As above, 1926		228,253.83
		$675,815.28

FIGHT IS LIKELY TO CENTRE OVER PREFERRED VOTE

Continued from page 1)

company was an Ontario company. After about half the stock was sold, the assets were sold to a Dominion company of the same name, stock being given in payment. Shortly after, the Ontario company went into liquidation and O. J. Brooks and George W. Radike were appointed liquidators. The manner in which the common stock of the Dominion company was distributed is questioned in this action.

In the writ to set aside the agreement whereby Brooks Securities and Banking Service acquired $700,000 par value preferred of Brooks Steam Motors, it is charged by J. J. McCabe, a shareholder, that these shares were sold improperly at a discount to these companies and that the step differed from an ordinary underwriting commission in that the directors of Brooks Motors were also directors of Brooks Securities and Banking Service and as such had no right to make a bargain with themselves, as is alleged.

Canadian Department Chain Acquire New Store

Canadian Department Stores have taken over the business of Roebuck & Sharp, manufacturers and retailers of Midland, Ont., together with the services of Mr. Sharp and Mr. Roebuck.

T. A. Sharp will assume the management of the store of Huntington's Limited, recently acquired by Canadian Department Stores, and Mr. Roebuck will take charge in this operation of the manufacturing business with which he has been recently identified.

The former manager of the Midland store, P. A. Huntington, is being transferred to North Bay, to take over the management of the Beamish & Smith stores, also recently acquired by Canadian Department Stores, Limited.

Mr. Beamish, the former owner of the North Bay store, will become identified with the new department stores organization as a superintendent of a number of stores.

Brooks Balance Sheet Shows Deposits in Several Banks

Balance Sheet, December 31st, 1926

ASSETS

Current—		
Cash on hand, Stratford branches	$ 904.82	
Cash, Bank of Montreal, Stratford	56,242.79	
Cash, Bank of Montreal, Toronto	1,572.75	
Cash, First National Bank, Detroit	1,794.13	
Cash, Peoples' Bank, Buffalo, Savings, 4%	50,848.63	
Cash, Canadian Trust Company, Toronto, at 4½%	35,000.00	
Canada Permanent 5% Debenture Bonds	100,000.00	
Sundry Deposits	290.00	
Accounts receivable, car sales	36,347.77	
Sundry Debtors	2,585.85	
Due from subscribers and Underwriters	391,103.26	
Prepayments in Accounts payable ledger	11,126.95	
Fire insurance adjustments	2,000.00	
Prepaid insurance	2,638.65	
Finished cars, parts, supplies on hand and at branches	405,114.63	
		$1,097,570.23
Fixed—		
Land	$ 10,492.00	
Buildings	129,508.91	
Machinery and equipment	52,791.79	
Machinery, obsolete, (book value)	1,785.40	
Tools, including outside tools	33,297.87	
New equipment, chemical laboratory	383.65	
Patents	15,483.05	
Blue prints, drawings and patterns	26,304.66	
Furniture and fixtures, Stratford and branches	21,593.06	
		293,640.39
Deferred—		
Development expense	$ 675,815.28	
Organization and incorporation expense	637,606.39	
Sales tax, prepaid	6,188.32	
Duty in abeyance	315.35	
Storage prepaid	170.00	
		1,320,095.34
		$2,711,305.96

LIABILITIES

Current—		
Accounts payable	$ 695.18	
Sales tax	595.52	
Unclaimed wages	7.33	
		$ 1,298.03
First mortgage serial bonds 5½%, issued	50,000.00	
Less redeemed	7,500.00	
		42,500.00
Deferred Liabilities—		
Interest accrued on bonds outstanding	102.46	
Finance charge credits deferred	553.50	
		655.96
Capital—		
Authorized 8% cumulative preference—		
250,000 shares at $10.00 each	2,500,000.00	
500,000 shares common without nominal or par value		
Subscribed, Preference issued fully paid	1,765,370.00	
Subscribed, partly paid	734,630.00	
		2,500,000.00
Common shares, no par value, held at		5.00
Capital Surplus arising from revaluatio nof Company's Assets	106,286.97	
		166,846.97
Premium Account	60,560.00	
		$2,711,305.96

May Ask Higher Fare For Hamilton Trolleys

W. E. Phin, President of Dominion Power & Transmission Co., intimated at the annual meeting of shareholders that the company would be in position to appeal to the railway and municipal board for an increase in fare so soon as the jitney competition in Hamilton is stopped, in June, 1928. Mr. Phin was optimistic as to the future of street-railway in cities, but was not so sure that interurban lines can be successful.

A Ten-Year History of Insurance Stocks

The growing popularity of Insurance Company stocks among conservative investors has emphasized the need of comprehensive, authoritative review of the record of securities of this type over a period of years. To fill this need we have compiled statistics for 37 representative insurance company stocks, covering the ten-year period, 1917-1926 inclusive, and have presented the results of our research in readable, graphical form.

This circular also contains a resume of the characteristics of insurance company stocks and an analysis of the chart.

This, and any special reports on Insurance Companies, will be mailed upon request.

Ad. 8127.

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REGISTRAR: Montreal Trust Company, Montreal and Toronto.

Par value $100 per share. Fully paid and non-assessable. Cumulative dividends payable quarterly 1st February, May, August and November, by cheque, negotiable at par at any branch in the Provinces of Ontario and Quebec of the Bank of Montreal. Preferred as to cumulative dividends at the rate of 7 per cent. per annum and as to assets to the extent of $110 per share and accrued dividends. Redeemable in whole or in part at the option of the company on 60 days' prior notice at $110 per share plus accrued dividends and costs of purchase. An annual sinking fund of 10 per cent. of the net profits available for dividends on the common stock is provided for the redemption of this issue at or below 110 and accrued dividends if so obtainable or, if not, by call.

CAPITALIZATION

7% Cumulative First Preferred Stock ($100 par)	$500,000
7% Cumulative Second Preferred Stock ($100 par)	$200,000
Common Stock (without par value)	20,000 shares

From his accompanying letter to us, Mr. Herbert S. Vipond, K.C., President, summarizes as follows:

BUSINESS—Stanford's, Limited, is acquiring the business of a former company of the same name which conducts a high-class business in the city of Montreal as purveyors of foodstuffs and provisions. Meats, poultry, fish, dairy products, fruit, vegetables, bread, cakes, pastries, salads and delicatessen products generally, are the principal commodities handled. The business was begun in 1905 in one small store by the late Joseph Stanford, and has been built up entirely out of earnings into a large and prosperous business of such select character that it is unique among its kind on this continent. The company numbers among its customers most of the wealthy families of Canada's metropolis, and is a large supplier of social, hunting and fishing clubs, large hotels and private railway cars, acting in the last-mentioned respect as purveyors to His Royal Highness, The Prince of Wales, and to the Vanderbilt and Belmont families of New York City.

PROPERTIES—Valuable properties in the heart of the retail district of Montreal are owned outright or held under long-term leases. The value of owned properties with the buildings, plant and equipment thereon and of the equipment, plant, fixtures and improvements on leased properties, is appraised, after depreciation, by competent authorities at $618,991.

The company maintains its own bakery and kitchens and has complete and modern refrigeration systems in each of its four stores.

EARNINGS—For the three and a half years ending 26th February, 1927, net earnings, as certified by Messrs. P. S. Ross & Sons, after providing for depreciation and income taxes, were as follows:

Year ending	Earnings from Operations	Provision for Depreciation	Provision for Income Taxes	Net Earnings
30th Aug., 1924	$152,116.94	$25,004.72	$13,346.78	$113,765.44
Year Ending 29th Aug., 1925	154,258.43	33,373.09	10,699.65	110,185.69
Year Ending 28th Aug., 1926	152,576.05	33,543.92	9,479.60	109,552.53
Six months ending 26th Feb., 1927	78,362.16	17,436.96	4,934.93	55,990.27

For the three and a half years ending February 26th, 1927, net earnings have averaged $111,283 annually, equivalent to $22.25 per share of First Preferred Stock. For the six months ending on the same date, they were at the annual rate of $22.39 per share of First Preferred Stock.

SALES—Sales for the fiscal years ending in August and for the six months ending February 26th, 1927, were as follows:

1924......$1,400,862.43 1925......$1,640,708.63 1926......$1,707,488.68
Six months ending February 26th, 1927..........$910,131.74

It will be observed that in each of the periods above mentioned, sales have shown an increase over the immediately preceding comparative period.

ASSETS—Net tangible assets are certified at $716,933.98, equivalent to $143.38 for each share of First Preferred Stock. Current assets are shown as $174,376.03, as against current liabilities of $84,666.82, giving a working capital of $89,709.21.

SINKING FUND — For the redemption of the First Preferred Stock, at not exceeding $110 per share plus accrued dividends and costs of purchase, an annual sinking fund is provided, commencing September 1st, 1928, of 10 per cent. of the net earnings available for dividends on the Common Stock, after allowing for depreciation, income taxes and dividends on both classes of preferred stock.

PROTECTIVE PROVISIONS—So long as any of the First Preferred Stock remains outstanding, no additional shares of prior or equal rank may be issued and no encumbrances may be placed on the fixed assets except purchase money mortgages or security to the company's bankers, without the consent of the holders of 66⅔ per cent. in value of the First Preferred Stock outstanding. Other provisions are also provided for the protection of the holders of this issue.

MANAGEMENT — The same management which has conducted the business with such marked success in the past will remain in active charge. A representative of the bankers underwriting this issue will be elected to the board of directors.

PURPOSE OF ISSUE—The proceeds of this issue will be used for the expansion of the business, for the purchase of the interests of the widow of the late Joseph Stanford, for the provision of additional working capital and for other corporate purposes.

These shares are offered when, as and if issued and received by us and subject to the approval of all legal details by our counsel, Messrs. McGibbon, Mitchell, Casgrain, McDougall and Stairs; and by Messrs. Vipond & Vipond for the company.

PRICE: 100 and accrued dividend, with a bonus of 4 shares of no-par value Common Stock with every 10 shares of First Preferred

Fractional shares of Common Stock will be adjusted at $20 per share

Dividends on the First Preferred Stock will accrue from May 1st, 1927, and the first dividend instalment will be payable August 1st, 1927.

Application will be made in due course to list both the First Preferred and the Common Stocks on the Toronto Stock Exchange.

We recommend the First Preferred Stock for investment

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Limited
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MONTREAL : OTTAWA : HAMILTON : LONDON

The statements contained herein are based on information we believe to be reliable, and on which we acted in purchasing these shares, although we do not guarantee their accuracy.

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TORONTO, APRIL 29, 1927

QUEBEC'S FRENCH

THE habit that Canadian teachers have of spending their long vacations in Paris to brush up their French is an excellent one. But a much better plan is for the teachers in French in Ontario and the other provinces to study French among the French-speaking people of Canada and the impetus that is being given to this movement by Premier G. Howard Ferguson of Ontario is most commendable.

Premier Ferguson, as minister of education, is providing a summer course in French for Ontario high school teachers to be held this summer in Quebec City. Here, in the most charming and storied surroundings in all Canada, Ontario teachers will learn, many of them for the first time, that no purer French is spoken anywhere than is spoken by the good people of Quebec city.

Politically, the Ferguson move is masterly and likely greatly to enhance the good will he is gaining among French-Canadians.

EDUCATE PUBLIC OPINION

THE Fort William Times-Journal links The Financial Post and H. C. Hocken, M.P., together as objects of its criticism. The reason for an exceedingly good-natured attack by the head-of-the-lakes newspaper is The Post's commendation of Mr. Hocken's speech in the House of Commons, in which the Toronto West member, deplored the lack of discussion of trade matters at the recent Imperial Conference.

The Fort William Times-Journal feels that the Imperial Conference was wise not to have attempted to evolve a scheme of empire preference. It was better, it thinks, for the conference to have broken up, after having achieved complete harmony on constitutional questions, than to have created discord by attempting the formation of a broad trade policies. Present evolutionary methods, evidenced by the recent Churchill duties which may be of some benefit to Canada, are best, it thinks.

A reader of The Financial Post in Fort William, a leading business man, commenting regarding The Times-Journal's suggestion, says it is a much more practical and sensible view of the situation than that taken by The Financial Post.

Both the Times-Journal and the business man referred to miss one important point; not only did the conference fail to produce any comprehensive scheme, (which no single conference could possibly be expected to produce), but it practically ignored trade questions entirely. Our own delegates entirely ignored them. Not only in addresses delivered at the conference but in public addresses they showed themselves as entirely innocent of any ideas of a trade or economic character.

If British empire trade is to be advanced it will only be advanced by working towards a policy that will have the approval, not only of Great Britain, but every Dominion. Such a policy does indeed have to be worked out gradually and only as public opinion will support each successive step. But it cannot be worked out at all and public opinion can not be educated without discussion by political leaders on occasions when such discussion is of greatest value. There was the tragedy of the Imperial Conference; not the failure to produce an Imperial preferential policy but the failure to discuss economic questions at all.

KEEPING IT WHITE

WHITE people in British Columbia have a strong desire to keep their province white. In their resistance to the steady Oriental invasion that has gone on for a generation they are carrying on a fight similar to that waged in South Africa, California and Australia, all white men's countries, that have been threatened with yellow and brown intrusions.

Citizens in other parts of Canada sometimes find it difficult to understand the warmth of British Columbia people's antagonism to the Oriental. Even those who would arouse a storm of protest before their local city council if a Chinaman were to establish a hand laundry on their street, are inclined to wonder what all the shouting is about on the coast. Are there not restrictions on the entry of Chinese? Are there not local laws, restricting the trades and callings of Orientals? These do indeed exist; but they do not provide the solution to British Columbia's problem. The point that is now worrying the good white citizens of the coast is the remarkable fecundity of the Orientals, who are, by natural increase, spreading more widely over the province despite all attempts at limitation upon their entry into the country.

Whether the Chinaman, Hindu or Jap is in reality a menace to white Canada is a point that many may consider germane to the question. There are probably plenty of people who will see something ironical in our own resistance to the Oriental in Canada at the same time that we are fighting to hold our own in China. But whatever may be argued concerning the futility of racial clash, British Columbia considers its Orientals one of its most serious and pressing problems, and the other eight provinces, practically free of worries in that direction, are inclined to be sympathetic.

Some very striking information has just been made available by a report on Oriental activities within the province of British Columbia, prepared for the legislative assembly by a group of government departments. This report, wisely, does not attempt to offer solutions of the problem. It merely gives facts for the student, citizen or legislator. These facts will no doubt be alarming to the anti-yellow whites of Canada. They are surprising in any event.

It is shown that one out of twelve people in British Columbia is an Oriental. It is shown that practically all of the Oriental immigration to Canada is destined to British Columbia. That among the Japanese, women are coming in twice as rapidly as the men, a disturbing fact when taken in conjunction with another fact revealed, that the birth rate among Japanese is 40 per 1,000 as against 18 per 1,000 among the population as a whole. One immediate effect of this large birth rate is the fact that the number of Japanese children in the schools has increased in three years by 74 per cent. as against an increase of six per cent. among white children.

Large increases in land holdings are shown and in fruit growing and hot house culture, the Orientals are rapidly gaining a dominant position. Restriction through licensing is gradually ousting them from the fishing industry, except in the catch of those fish that are considered a nuisance and where the white man kindly allows the Oriental to continue at work because he wants to get rid of the fish.

The tendency of British Columbians to "view with alarm" the rise of this yellow tide that has already swept over several of their industries and is threatening many more, is easy to understand.

EXCHANGE DUMPING

ACCORDING to a bulletin prepared for submission to the forthcoming world economic conference at Geneva, Canada is one of three countries that have made any effectual attempt to prevent dumping of foreign goods within their borders and against the importation of goods from countries with depreciated currencies.

But the bulletin, which is prepared by Dr. Trendelenburg, an European economist, hastens to point out that the value of Canada's dumping legislation can not be accurately determined because of the lack of information as to how it has been applied. And he points out as well that the steps Canada has taken to prevent the country being flooded with cheap German, Italian, Belgian and similar goods, have not been entirely effective, because the measures adopted to protect the Canadian manufacturer do not entirely offset the difference that exists in favor of the country with low exchange.

What is known as "exchange dumping," an economist's phrase used to describe a situation that has been a very practical annoyance to Canadian business since the end of the war, arises from the fact that, as a nation's currency declines in value, the internal price level in that country does not rise as rapidly and as extensively as its currency declines. As a result a manufacturer in one of those countries is able to sell in foreign markets at considerably under his home price and when he has exchanged the foreign money for his home currency he still has as much money as he would have had for selling the same goods at home. Against such competition, manufacturers in countries with sound currencies are virtually helpless unless they are given some protection by legislation. Most countries have given little attention to the provision of such protection but in Canada a system of exchange surtaxes has been introduced. These have been subjected to a good deal of jockeying from time to time and to-day they represent very small protection against "exchange dumping."

Canada, for instance, attempts to give no protection against currency depreciation except where the currency is depreciated more than fifty per cent. And even in the case of countries in that category, it is specifically provided that the goods shall be appraised for customs purposes at an advance of 20 per cent. Further rulings, however, have from time to time exempted many classes of goods from the increased valuations. And so Canada finds itself theoretically with protection against depreciated currencies and practically with very little.

Fortunately, time and the slow process of stabilization throughout the world are giving Canadian producers the protection that has been largely denied them by legislation.

SAVE THE FORESTS

THIS has been "Canada's Forest Week." The work of the government, the Canadian Forestry Association, the pulp and paper companies and the lumber companies in endeavoring to safeguard the Canadian forests from the fire menace is one which deserves the hearty support and hearty co-operation of all Canadian business men.

The total gross loss through forest fires in 1926 amounted to some $7,500,000 as compared with the average loss in the last three years of $6,500,000. The Dominion can ill-afford losses of such magnitude, more especially, as the origin of most of the fires can be traced to carelessness.

The capital invested in the Canadian forest industry amounts to $666,000,000. The output of the industry provides 20 per cent of the entire freight haulage of the Canadian railways and provides direct employment for over 97,000 workers whose wages amount to over $100,000,000 annually. For its prosperity, the Dominion depends very largely on its export trade and of this export trade, 25 per cent. is composed of forest products. It can be seen how closely interwoven is the prosperity of the industry with the prosperity of the Dominion.

Any effort made to assist the forest industry will thus be well repaid by an improvement in the general level of Canadian business—neglect of the industry can not fail to handicap the progress of the country as a whole.

WORLD'S FAIR NOW

SIERRE LEONE, one of the British nations on the west coast of Africa, had an exhibit in the Canadian National Exhibition last year. This was a duplicate of the highly successful and interesting exhibit Sierre Leone had sent to Wembley in the two previous years. For a small nation, such as Sierre Leone, to send an extensive exhibit across the ocean to a two weeks' exposition in Canada was in the nature of an experiment, and it is, therefore, cause for gratification that the official report published by the Sierre Leone government on its exhibit speaks in terms of highest satisfaction of the results obtained.

It is recorded by M. T. Dawe, commissioner for Sierre Leone, that a market in Canada for two Sierre Leone products, ginger and fibre, has been created as a result of the exhibit.

Assuredly the Canadian National Exhibition is becoming almost a world's fair in its scope. The fact that the exhibition is operated without expense to the citizens of Toronto, but in fact returns them an annual operating profit, that must be regarded as very satisfactory rent for the use of public buildings and parks, is a factor that indicates the high excellence of the management it receives under John G. Kent.

The experience of Sierre Leone has been duplicated by the experience of New Zealand and other countries that have exhibited at the Canadian National.

WHY ANTI-SOVIET?

FROM the president of the council of commissars of the Soviet union we find a new reason for the present trouble in China. The Imperialistic Powers, led by Britain are fomenting trouble in China, merely as a first step to bringing Russia to terms, Rykov announces. But Rykov professes to find it difficult to understand why Britain should be unfriendly to Russia. What has Russia done to Britain? he asks. And his implied reply; it is nothing at all.

Mr. Rykov's wild-eyed wonder at the existence of British dislike and suspicion of the Soviet government reminds the New York Times of the old story of the villain in "Nellie, the Beautiful Cloak Model." In the first act he throws Nellie from Brooklyn Bridge; in the second act he ties her to the rails in front of the locomotive; in the third act he puts dope in her tea; in the fourth act he says, "Nellie, why do you shrink from me?"

Russia has done nothing more than refuse to pay her debts, to subsidize a coal strike aimed at crippling British industry, and to fraternize with the Chinese party which proclaims its intention to drive the British into the sea. And yet Great Britain feels cross about it!

In one respect, Rykov is right. He sees an "anti-Russian bloc." There is an "anti-Russian bloc." But this bloc is no treaty bound collection of powers. It exists in the minds of all good citizens the world over who are fighting to prevent the communistic systems of Soviet Russia being foisted on their healthy economic and social systems. In that respect, Canadian opposition to Soviet teachings in our schools and colleges is part and parcel of the "anti-Russian bloc."

EDITORIAL NOTES

PRISON bars might pry open some closed mouths at the customs inquiry.

No Federal District Yet for Ottawa But is Likely to Come

New Commission Has $250,000 Yearly to Spend Now

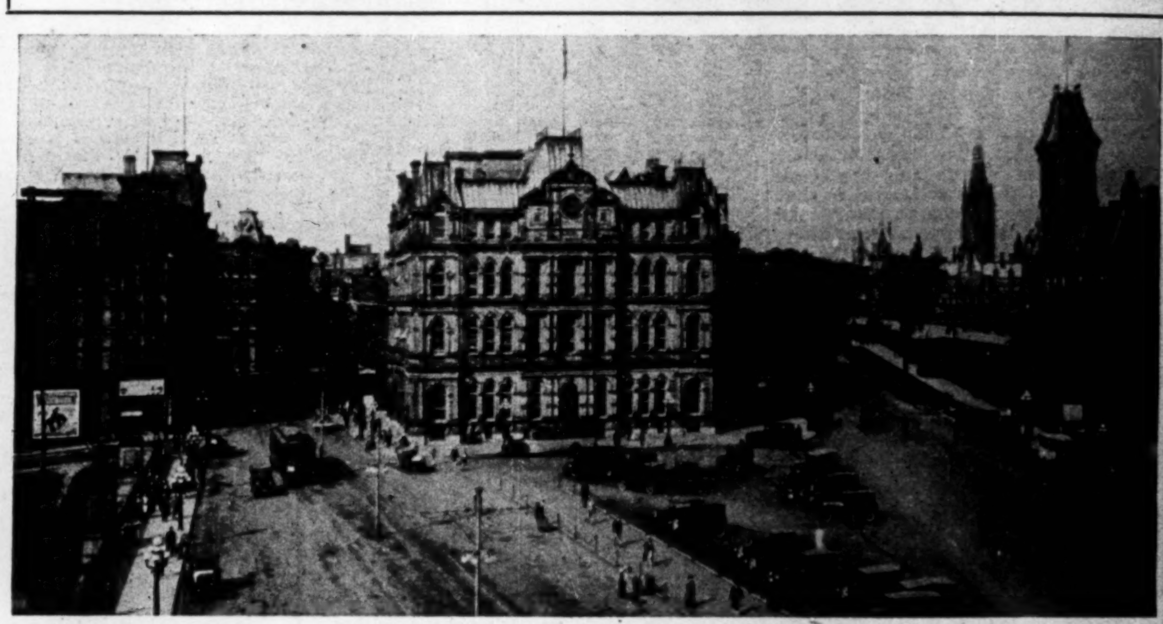
BEAUTIFY CAPITAL

Will Spend $4,000,000 in Next 16 Years to Make City "Washington of the North"

By DOUGLAS MACKAY.

The Federal District Commission created by the government is far from being all the things the name implies. Actually it is merely a renamed Ottawa Improvement Commission with a grant of $250,000 a year instead of $150,000 a year, but the implications of name are tremendous. There is every indication, as Senator Belcourt said when the bill was before the Upper House, that the government has accepted a new principle and that a real federal district is in the making. Senator Dandurand, the government leader in the Senate, sated that he was definitely in favor of a federal district and would support any measure creating one. In the Commons however, Premier King would neither affirm or deny the statement that a real federal district similar to Washington or Canberra was the ultimate aim of the government.

Under Jurisdiction of New Federal District Commission



View above shows the plaza at Ottawa where the National Monument to celebrate Canada's part in the Great War is to be erected. The post-office building shown will eventually be torn down as we'l as the buildings behind it.

Premier King is in favor.

There is every reason to believe the Prime Minister, revering as he does, every fragment of the Laurier tradition, is personally in favor of the federal district scheme. But such a step must be made slowly and with great deliberation. To embrace the entire project would involve the disfranchisement of all the residents of the Ottawa-Hull area. This would be a matter politic because the district returns three members of parliament, two from Ottawa and one from Hull. And it should be remembered that in the present parliament all three are supporters of the government.

In the two cities there are twelve to fourteen thousand civil servants with dependents who hold the federal, provincial and municipal franchise. To render these people politically impotent at one sweep is a very serious business which must be approached with caution.

There is another delicate aspect of the federal district question involving provincial rights. Could a district be created on both sides of the Ottawa river without amending the constitution and without the consent on the part of the provinces? The best opinions seem to be that the consent of both Ontario and Quebec would be necessary before any step could be taken. The federal government might declare the project to be for the general advantage of Canada and exercise powers of expropriation but even in such an event provincial rights would have to be considered.

Provincial Power Limited

Senator Ross, Conservative leader in the Senate gave as his opinion recently that "Neither the province of Quebec nor the province of Ontario could by mere consent, give away any part of their territorial jurisdiction. The whole matter would have to go to the Imperial parliament for an amendment to the constitution." Senator Belcourt's opinion is that if all parties consented there would be no need for Imperial parliamentary action. "How can the province of Ontario consent to give up jurisdiction over one of the counties of Ontario?" asks Senator Ross. "They cannot do it," he adds.

To return to the Federal district Commission actually created by parliament—it is a body of ten. The Old Ottawa Improvement Commission was made up of eight members and the new organization simply carries on the same personnel and creates two new commissioners who have not yet been appointed. All serve without remuneration. The chairman is that able executive and electrical genius, Tom Ahearn, who, as president of the Ottawa Electric and associated companies, deserves the title of power baron with none of the sinister suggestions attached to that phrase.

The new commission is carrying on with the same machinery as the old. It will have $4,000,000 to spend in the next sixteen years. It has plans for the city of Ottawa which anticipate the day when there will be 500,000 people in the capital instead of 120,000, but these plans are all subject to the approval of the cabinet and they are kept strictly confidential.

The program undoubtedly coincides with the government's own projected avenue of buildings to be commenced this year. This is a twenty-year objective with a view to eventually housing in government structures all the branches of all the departments now scattered in rented premises in every corner of Ottawa. The Dominion now owns the Ontario bank of the Ottawa river reaching from parliament hill to the Chaudiere Falls and it is on this cliff—an eminence almost as lofty as the hill itself—that a great row of government buildings is to be erected. This work will be done by the department of Public Works, and in it the Commission will have its share.

Development on Plaza

The other strictly governmental undertaking in Ottawa at present is the extension of the central plaza of the city on which face the Chateau Laurier, the Union Station and the local Post Office building. The government has acquired the triangular block behind the post office and this year the buildings on it are to be demolished and a park laid out. This will add to the plaza, making a great open area in the heart of the city. The post office building will stand up in the centre of it for a few years or until that building becomes too cramped to meet the capital's needs and then it too will go. Parliament approved $100,000 for this.

The Rideau Canal driveway, which has been one of the major efforts of the Improvement Commission, follows the old waterway for several miles but stops short when it reaches the heart of the city. This year the driveway is to be pushed all the way to the plaza, making a new traffic artery and following the canal right to the final locks which let its waters down into the Ottawa river. Visitors to Ottawa will recall that the Rideau Canal bank opposite the Union Station is at present cluttered with ancient warehouses. These will be demolished this year and the driveway, with a narrow park area will take their place.

"Washington of the North"

In this way Sir Wilfrid Laurier's phrase of 1896—"the Washington of the North"—becomes at least slightly nearer a reality. It was in 1899 that the Ottawa Improvement Commission was created with an annual grant of $60,000. In 1910 this was increased to $100,000, to be paid annually until 1919. In the latter year Parliament again raised the grant to the Commission to $150,000 and this year, with a reorganized, renamed Commission, and maintained ten parks and six driveways, several bridges, a greenhouse and the amount is $250,000. It has constructed a playground, and in the course of its history spent $3,338,881.00. This is not a vast sum when spread over public works during nearly 28 years, but the Commission has certainly achieved results. It has gained the respect of all who have watched its efforts and is in the happy position of being almost above criticism. It is doubtful if any body doing similar work has got as much to show for the money involved.

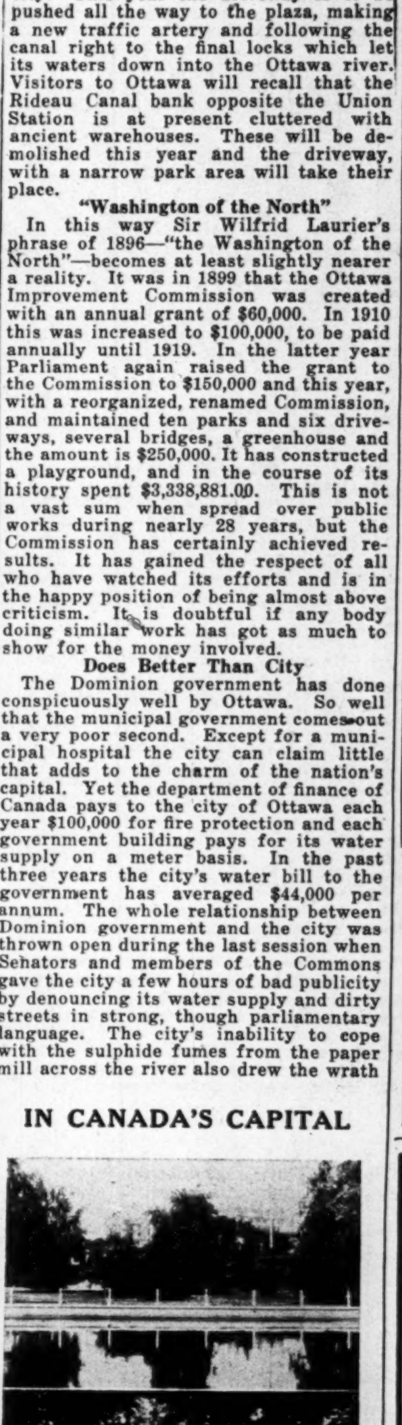
Does Better Than City

The Dominion government has done conspicuously well by Ottawa. So well that the municipal government comes out a very poor second. Except for a municipal hospital the city can claim little that adds to the charm of the nation's capital. Yet the department of finance of Canada pays to the city of Ottawa each year $100,000 for fire protection and each government building pays for its water supply on a meter basis. In the past three years the city's water bill to the government has averaged $44,000 per annum. The whole relationship between Dominion government and the city was thrown open during the last session when Senators and members of the Commons gave the city a few hours of bad publicity by denouncing its water supply and dirty streets in strong, though parliamentary language. The city's inability to cope with the sulphide fumes from the paper mill across the river also drew the wrath of the nation's forum. In any event the city government appears to have been stirred to the point of discussion but the probable outcome will be that the city will ask the parliament to do something about the water.

The stranger in Ottawa, finding parks, public gardens and driveways, would assume that they were part of the city's own work as in other communities. On the contrary, practically everything in Ottawa which gives it character nad charm is due to some Dominion government or private enterprise, and usually

(Continued on page 15)

IN CANADA'S CAPITAL



Two views of the Rideau Canal driveway at Ottawa, beautified by the Federal government.

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Consolidated Rubber

I hold ten Consolidated Rubber, 6 per cent., 1946 bonds. As I seldom see any reference to these or even a market quotation, I should like to obtain your advice regarding this company and the advisability of selling the bonds.

The 6 per cent., 1946, Canadian Consolidated Rubber bonds are a first class industrial issue. As they are a high-grade investment of their kind we see no reason why you should not hang on to the bonds. The company is the leader in its line.

C.P.R. Securities

Amongst my investments I hold some of the C. P. R.'s note certificates and some of the common stock. What do you think of these? If I purchase more common now, would I be able to obtain the rights when the company shortly issues new stock?

Your holdings of C. P. R. note certificates and common shares are satisfactory. As the country grows, the C.P.R.'s position should improve, provided, of course, governmental intervention does not reduce the rates below a sensible and reasonable level. If you purchase shares in the C.P.R. now, when the time comes for the distribution of rights, the rights would naturally be applicable to the shares which you hold.

Bishop Realty

Do you consider the Bishop Realty Co. 7 per cent. first mortgage bonds a safe investment?

The mortgage bonds of the Bishop Realty Co. are on a building which is now under construction in Montreal. The issue is probably fairly well secured, but it would seem that Montreal at the present time is somewhat over-built. If there is a surplus of homes the inevitable effect will be to reduce the earnings of apartment and other property, even though the apartments are kept occupied.

Imperial Oil

Am advised to buy Imperial Oil at present price of 44 and would value your opinion of this stock before making this purchase. I understand they do not issue a public balance sheet. Will you please advise me what you think of it?

While the recent drastic drop in crude oil prices may have some effect on the current earnings of Imperial Oil, the outlook for the company over a term of years cannot be regarded except as extremely promising.

Steel of Canada

I have most of my holdings in government bonds. Would you suggest switching to sound industrial stocks? I am in business, married, without children.

As you are a business man it is probably desirable for you to dispose of some of your government bonds and to invest in securities of merit. One of the best industrial stocks is Steel of Canada preferred, which not only has the advantage of being a preferred stock but which participates equally with the common in the distribution of the profits of the corporation about seven per cent.

Canada Cement also is a stock which has much to commend it.

Willys-Overland

I would be glad to have your opinion on holding Willys-Overland stock for long hold and also what the possibilities are during the next month or two.

We do not, as a rule, express opinions as to the merit of securities in United States companies. We can say, however, that Willys-Overland cash position has been improving steadily for a number of years, and that the marketing conditions apparently are as good as ever, while the management probably must be considered high-grade in view of the fact that it succeeded in coming through a very difficult period a number of years ago.

We are unable to predict what will be the immediate action of the stock, but over a term of years the investment should be satisfactory in view of the fact that the company manufactures automobiles of low price classes, which have an almost universal appeal. There appears no reason why this company should not continue to make progress.

Massey-Harris Common

Do you think Massey-Harris common, now selling around 34, is likely to show some appreciation in market value in the next three or four months?

We are of the opinion that Massey-Harris common at around 34 is somewhat high for the time being. However, we do not think that the investor who buys at this price or any figure near this price will lose money if the stock is held as an investment.

The company in our opinion, has a splendid future, although the immediate market value of the stock will depend in some degree on how soon the directors declare dividends and what amount. Earnings are believed to be about $3 per share.

Shawinigan

In January last I bought 75 shares of Shawinigan at 267. I now own 300 shares worth about 85. Do you advise me to sell or to hold on for the long pull?

The correctness of your judgment regarding Shawinigan has been borne out by the rise in the shares.

If you bought the stock for a quick turn on the market you have been successful and we should advise you to sell.

On the other hand, if you bought the stock as an investment, why sell it just as soon as your judgment regarding its possibilities has been ratified by an appreciation on the market?

Our opinion of Shawinigan is that it is an excellent investment for a long hold. We cannot prophesy its market course within the next few months. If any general market reaction takes place, no doubt Shawinigan would also decline a few points. For the long pull, we look for an appreciation in the stock. This year, probably, the shareholders will be offered valuable rights, for undoubtedly Shawinigan will require further financing to provide for its extensions.

Security Life

I am offered 50 shares of Security Life stock. Will you kindly advise me what you think of this as an investment and what you think would be a fair price to pay for it?

As this stock is held by a friend of mine, in the event of I not buying it, would you advise him to hang on to it?

Purchase of stock should be made with a view to holding the stock for a number of years. The company is now in a fairly sound position and has recently made a call on its shares which should supply them with an increased amount of capital. They have come through a very trying time and should now be looking forward to better things. However, the stock is a non-dividend stock and there are no indications that there will be any dividends paid on it for some time. The last current quotations on this stock are 20 bid and 21 asked. In view of this situation it seems reasonable to advise anyone who holds shares in this company to keep them until such time as the company's improving position makes itself felt on the stock market.

Switching Bonds

I am considering selling a $2,000 city of Edmonton, 7 per cent., 1941 bond at 113½ and investing the proceeds in a $2,000 Stetson, Cutler, 7 per cent., 1942 bond now selling at 101½ and three preferred shares of International Power preferred selling at 91. Please give me your views on such a transaction, particularly regarding the financial status of the Stetson, Cutler Company.

Provided your investment program allows you to make such a switch, it looks satisfactory to us. In other words, provided such a switch does not alter the ratio in your holdings which exists between government and municipal issues, industrial bonds and common and preferred stocks, you can safely invest in Stetson Cutler bonds and International Power preferred.

From your Edmonton bonds you will obtain a very satisfactory premium.

The Stetson Cutler Company's operations are, to all intents and purposes, consolidated with those of the parent company, and Fraser Companies.

We understand that the parent company has an equity in the subsidiary of $1,500,000 which naturally adds strength to the issue.

International Power preferred would bring you a very handsome yield. This company is expanding and has every expectation of increasing its earnings in the future. It is an excellent purchase for a business man.

Dominion Iron

I still own $1,000 6½% bonds Cosmos Imperial, $1,000 6½% bonds Holt Renfrew, $1,000 6½% bonds Manitoba Pulp & Paper, 5 shares pref. stock Steel Co. of Canada, 3 shares common stock Steel Co. of Canada, £200 and £100 5% bonds 1939 Dom. Iron & Steel, 26 shares pref. in Chemical Products, 15 shares mortgage in Chemical Securities.

I can assure you I would very much appreciate any advice or news about these, especially the Iron & Steel and Chemical Products. As to Chemical Securities. Why are we not getting the remainder of our principle in Chemical Securities. I still have $1500 in C Securities.

The bonds and stocks you mention are all of good character, excepting the Dominion Iron and Steel five per cent. consolidated bonds and the shares in Chemical Products. The latter is in liquidation and according to the most recent information we have, the debts of the company exhaust the assets.

In 1925 the liquidators received permission from the court to pay $100,000 on the mortgage which was held by Chemical Securities.

The immediate future is extremely uncertain but there is reason to hope that the ultimate re-organization of the Nova Scotia coal and steel industry will be on a basis which will prove satisfactory to the bondholders in Dominion Iron and Steel Co.

Ordinarily there could be little hope of rescuing anything from the wreck of a company such as Dominion Iron and Steel. But in this instance, there is a very serious political aspect and it is almost imperative in the national interest that the industry continue to operate. This probably will mean that a re-organization on a sound basis would be followed by government assistance of somewhat substantial character.

Under the circumstances, it is advisable for the bond holders to hold on.

Empire Life

Would be pleased to have your opinion of Empire Life Insurance Co., Toronto.

This is the fourth year in which the Empire Life Insurance Company has been doing business, and although the company has suffered the growing pains peculiar to all new insurance companies, its record has been an exceedingly good one. The company is licensed under an Ontario license which requires a very rigid inspection of insurance companies and you may be sure that the company is well looked after in that respect. Recently, the company expanded into the Province of British Columbia and is meeting with considerable success. They also plan to extend into Alberta shortly. They have at present about six million dollars of insurance on their books.

Building a "Second Income"
By purchasing sound investments now, and formulating a definite programme for the periodical investment of savings, the careful business man is establishing a source of revenue which will not only amplify his earned income but which will provide a property accumulation and means of support for himself and his family in future years.
Royal Securities Corporation places its experience and extensive facilities freely at the disposal of those who have investment problems to solve.
We shall be glad to assist you in selecting securities for current purchase, and in mapping out your investment programme for the future.
Royal Securities Corporation
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164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
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When Women Invest

Getting Bank Manager to Pass on Loan Value of Stock is Best Method of Determining Worth of Salesman's Offering and Word.

A REGULAR FEATURE

One of the best safeguards against unwise investment is to have a bank manager say whether or not he would loan on the security to be purchased, and if he would loan on it, up to what proportion of the purchase price.

The New Jersey section of the Investment Bankers' Association of America a few years ago devised a questionnaire to be given to persons offering stock for sale. Answering all the questions, of course, would not be presumptive evidence of sterling worth of a stock offering. But the salesman who did answer the questions with seeming frankness at least would be giving a great deal more information that is offered by the average peddler of poor stocks.

Get Him to Write It

One of the biggest advantages in submitting a questionnaire to stock salesmen is that they place their proposition in written form. Your stock salesman, if he is ordinarily wary, will not make misstatements in writing because, if he does, it is comparatively easy to obtain convictions on charges of obtaining money under false pretenses, or other clauses of the criminal code.

Salesmen who peddle stock which is not sound, orally make predictions, promises and statements which, if checked up, usually are criminally inaccurate and dishonest. But as their statements are by word of mouth and the memory of the mulcted is a bit uncertain, it is seldom that the courts can afford redress. But a statement that is in writing and signed, is evidence of the first class.

Another question which is included in the New Jersey questionnaire, and which is of hardly less importance that the question concerning the collateral value of the proffered stock, concerns the allotment of stock for patent rights, goodwill, etc., to the promoters of the company. The amount of stock represented by intangible assets (so-called) determines in many instances whether or not any return ever reasonably can be expected for the investor who pays cash for his stock, and if the amount of stock given away is sufficiently large, a minority group of promoters may have actual or effective control of a company without putting in a dollar of cash, while the investing public, which has put up all the cash, will have nothing whatever to say about the conduct of the company being promoted.

Putting money into a new company, a company which has no earning record, no organization and with expectancy as its principal asset, is not an investment. It is a speculation. If the promoters are honest, the management may not be capable or experienced. If the field is established, competition may be too keen for a new organization. If the field is a new one, the gamble is even more doubtful.

Promoters will tell the average prospect that the promotion is certain to be successful. It is well to beware of the man who is certain. He is certain only that he will profit personally if he can find enough persons unwary enough to venture into an unwise speculation. A more stable prospect, from the viewpoint of the investor, is the one which is advanced as a hopeful investment but which is not certain. Reputable investment houses never offer an investment as a certainty. They merely tell its record and advance their reasons for believing that the good record will continue. The promoter, having no records to offer, will fall back on positive statements which are founded on bombast and, perhaps, dishonesty.

Women, be it noted, are not the only unwary investors who fall for the poor stock which is being peddled throughout the country. Men also succumb to the lure of fat profits on the false promises of suave young men who represent promotion schemes of a poor type.

Who should venture into promotions, since promotions are beneficial to the industry of the country? It is suggested that the only persons who should go into promotion schemes are individuals of large means who can afford to lose and who can lessen their chances of loss by taking control of a business and prevent the injection of water.

If a business financed in this manner is successful after a term of years, it may be justifiable then for it to seek public investment. And if the business is worthy of public confidence, the funds will be readily available and the stock will be a better investment, will render the investor a better return, than if the company had fallen into the hands of company promoters in its formative state and had been the object of stock-jobbing operations which had not only robbed investors of hard-earned savings but had prevented a possible successful industry from a healthy development. After a stock-jobber gets through with a company, it is a miracle if it ever is worth tuppence as an investment.

FOLKS and Finance

U. S. Realty & Improvement Corp. by approval of board of directors has purchased a life insurance policy for $1,000,000 on the life of Harry S. Black, chairman of the board. This action is in line with a policy adopted by many of the large corporations that have insured the lives of men in command of the affairs of their companies as a protection to stock-holders.

Of interest to Canadians is the fact that Mr. Black was from Cobourg, Ontario. He is also head of the George A. Fuller Construction Company, which is now part of the U. S. Realty.

ROBERT C. MISSON, manager of the Sherwin Williams Company of Canada, who died in Montreal recently at the untimely age of 57, had a nation-wide reputation as a salesman and was for many years sales manager of his company.

Once, at a company sales convention, high tribute was paid to his ability as a director of sales. As flower after flower was enwreathed in the garland of tribute laid on his brow he listened quietly. Finally when his turn came to speak, he stood up and said, "Well, all I know about it is this; that if the sales are missin' Misson'll be missin'."

THE newspaper announcement a few days ago that Major J. E. Hahn, President of the De Forest Radio Corporation, Limited of Toronto, and Powell Crosley Jr., President of the Crosley Radio Corporation of Cincinnati, have purchased the total undertaking, including plant and patent rights, of the Amrad Corporation of Medford Hillside, Boston, Mass., was of great interest, not only to the radio industry in Canada but to the Canadian business men in general. It is an ordinary occurance for an American manufacturer to start competition with Canadians by the establishment of a branch factory in Canada. Such an act has no particular news value. But when a Canadian reverses the procedure, going into competition with the keen selling and manufacturing organizations of the United States in an aggressive market, it is worthy of note.

Heading the De Forest Radio Corporation of Canada in 1923, Major Hahn has in less than four years brought this Company from obscurity, through the chaotic and dangerous conditions of a rapidly growing industry, to the position it holds today.

Facts affecting Stock Values
A letter devoted to discussing underlying factors affecting stock values is issued weekly by our Stock Exchange Department.
It also discusses current items of interest affecting individual companies, interprets balance sheet figures, etc.
You can obtain a copy of the current issue by telephoning, writing or calling.
Write to Dept. 4
Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street
99

POST-Scripts

ONE OF the reasons why "inside tips" on securities are not always what the average man thinks they are is the fact that many executives are too close to their jobs to appreciate the broad perspective of their companies' outlooks.

When "Smelters" was selling at 50, one of the big men on the inside told a few of his friends to sell and there is no reason to assume that he was buying at that time. Smelters is selling at over five times that to-day.

One big executive has for years sworn daily at the stock market because of the high prices attained by the shares of several companies he is interested in. "There is not a one of those stocks worth what people are paying for them," he storms. "The people are getting stung by a bunch of stock brokers." And yet all of the stocks have been going up steadily for over a decade and have made enormous profits for their followers.

The president of one of the companies that has provided a rather sensational stock on the Toronto Exchange was asked by one of his most intimate friends, about a year ago, whether their stock was a buy or a sale. He assured his friend that it was too high; that it was being manipulated by a pool and that if he got out he could buy the stock back at a lower figure. The friend got out. There has never been a time since that he could have gotten in again at a figure at all close to his selling price and in the year the stock has more than doubled in value.

Public Utility Bonds
WELL-MANAGED companies engaged in supplying electricity, water and gas to growing communities, can be especially commended to investors planning the investment of funds. The future of such companies is even more promising than their brilliant records of the past and investors cannot but be right in their judgment in adding sound securities of this class to their holdings.
A list of bonds, with full particulars, of specially strong public utilities will be sent upon request.
HANSON BROS.
Founded 1883
Investment Securities
Montreal: 160 St. James St.
Toronto: 330 Bay Street
Ottawa: 63 Sparks Street

DOMINION BRIDGE CO.
LIMITED
Montreal, P. Q.
ENGINEERS, MANUFACTURERS *and* ERECTORS *of* STEEL STRUCTURES
HEAD OFFICE AND WORKS: Lachine Locks, P.Q. P.O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.
Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

THE NATIONAL CITY COMPANY CANADA

Montreal Tramways Company

5% First and Refunding Mortgage Bonds
(Now First Mortgage)
Due July 1, 1941

Principal and semi-annual interest (January 1 and July 1) payable in Montreal, New York, Chicago, or London, Eng. Coupon bonds in denominations of $500 and $1,000, registerable as to principal only.

The Montreal Tramways Company, operating under a very favourable franchise, owns and controls the street railway business of the City of Montreal. Due to the existing contract, the City is directly interested in the prosperity of the Company. For the year ended December 31, 1926, the net earnings of the Company were over 3.17 times the annual interest charges on this issue. These bonds are entitled to a very high investment rating, and are attractive at the present price. Further particulars will be furnished upon request.

Price at market to yield over 5%

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO
204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC
215

STOCKS and BONDS
Canadian, British and American Securities Bought and Sold on all Principal Exchanges for Cash or on conservative margins.
Private wire connections, New York, Montreal, Toronto.
OSLER, HAMMOND & NANTON
LIMITED
WINNIPEG

We are in the market at all times for

British Columbia Municipal Bonds

British Columbia Bond Corporation, Limited

H. E. Boorman, Managing Director

VANCOUVER, B. C. VICTORIA, B. C. NANAIMO, B. C.

OFFER PROVINCIAL PAPER PREFERRED

Complete Financing Recent Purchase of Paper Company

Following up its recent offer of $5,300,000 first mortgage bonds of Provincial Paper, Ltd., Dominion Securities Corpn. are now offering $3,500,000, 7 per cent. cumulative sinking fund preference shares of the same company. This is said to complete financing for the present of recent purchase of the Provincial Paper Mills, Ltd.

Provincial Paper, Ltd., takes over a company that has been in operation since 1909 and is well and favorably known to the Canadian paper trade. Four mills are operated, situated at Mille Roches, Georgetown, Port Arthur, and Thorold, all in the Province of Ontario. In addition, the company owns and operates a well established wholesale paper firm in Western Canada. Production is confined to high-grade book, bond, coated and writing papers, including a wide range of grades and qualities used in the manufacture of books, magazines, catalogues, etc.

Details of the issue follow:

$3,500,000
Provincial Paper, Limited
7% Cumulative Sinking Fund Pref. Shares

Business—Manufacture of high-grade book, bond and coated writing paper.

Management—Will be in the hands of same officials who were in charge of Provincial Paper Mills, Ltd.

Sinking Fund—A sum equivalent to 7 per cent. of its net earnings after taking care of certain charges as set out in the trust deed.

Voting Rights—When four quarterly dividends are in arrears, holders of preference shares will be entitled to vote.

Purpose of issue—Finance purchase by new company of assets and undertakings of the Provincial Paper Mills, Ltd.

Assets—Total value of net tangible assets $10,254,764.

Capital—
(Upon completion of present financing)

	Authorized	Presently to be issued
1st mortgage bonds ...	$10,000,000	$5,300,000
7% cum. pref. stock (this issue)	$ 8,500,000	$3,500,000
Common Stock (shares of no par value)	100,000 shares	100,000 shares

Earnings—Earnings for the fiscal year ended Dec. 31, 1926, $874,008. Total dividend requirements on present issue $245,000.

Offered—By Dominion Securities Corporation, at a price of 101 and accrued interest.

Continental Terminal Bond Issue Interests Canadians

A certain amount of Canadian interest attaches to the $3,000,000, 6½ per cent. convertible debentures of the Continental Terminals, Inc., being offered in New York this week. Company owns and controls terminals in Albany, Cleveland and Detroit, which, when completed, will have approximately 15,000,000 cubic feet of storage space. A working agreement has been entered into by this organization and the Montreal Rail and Water Terminals, of Montreal, and the Canadian Rail and Harbor Terminals, of Toronto. T. A. Neely, a director of both Canadian companies, is also on the governing board of the Continental Terminals, Inc.

We wish to announce the opening, on May 1st, of an office in

KITCHENER, ONT.

under the management of

Mr. H. C. Coughtry

The opening of this, our twelfth office, marks a further important extension of a service which offers to investors more than the usual facilities for the purchase, sale or valuation of securities.

JOHNSTON AND WARD

14 King St. East—Toronto
171 St. James Street—Montreal

Members: Montreal Stock Exchange, Toronto Stock Exchange, Montreal Curb Market. Chicago Board of Trade, Winnipeg Grain Exchange.

Montreal London, Ont. Stratford Sydney, N.S.
Sherbrooke St. John's, Nfld. Halifax
Moncton Saint John, N.B. Kitchener, Ont.
Kingston Toronto.

News of Investment Markets

MONTREAL FOOD PURVEYORS PLAN FOR EXPANSION

Toronto House Handling New Financing; Preferred Shares Offered

An offering of $500,000, seven per cent. first preferred stock of Stanford's, Ltd., of Montreal, by McLeod, Young, Weir & Co., is one of the features of the investment market this week. The issue is of more than ordinary interest in that for the first time in some years, a Toronto financial house has underwritten the stock of a Montreal industrial.

Stanford's, Limited, conducts a high-class business in the city of Montreal as purveyors of food stuffs and provisions. Meats, poultry, fish, dairy products, fruit, vegetables, bread, cakes, pastries, salads and delicatessen products generally, are the principal commodities handled. The business was begun in 1905 in one small store by the late Joseph Stanford, and has been built up entirely out of earnings into a large and prosperous business of such select character that it is unique among its kind on this continent. The company numbers among its customers most of the wealthy families of Canada's metropolis, and is a large supplier of social, hunting and fishing clubs, large hotels and private railway cars, acting in the last-mentioned respect as purveyors to His Royal Highness, the Prince of Wales, and to the Vanderbilt and Belmont families of New York City.

Valuable properties appraised in excess of $618,000 are owned outright or held under long-term lease in the heart of Montreal's retail district. Four large stores in all are operated, as well as bakery and kitchens.

Particulars of the issue follow:

$500,000
Stanford's, Limited,
7 per cent. Cum. First Pref. Stock.

Business—Purveyors of foodstuffs and provisions in Montreal.

Properties—In the heart of the retail district of Montreal, owned outright or held under long term leases.

Sales—Have steadily increased from $1,400,862 in 1924 to $1,707,488 in 1926.

Earnings—For three and a half years ending February 26th, 1927, net have equalled $22.85 per share on first preferred.

Assets—Net tangible are certified at $716,933, equivalent to $143.38 for each share of first preferred stock.

Capital—

7% cum. 1st pref. stock (100)	$500,000
7% Cum. 2nd Pref. Stock ($100)	$200,000
Common Stock (without par value)	20,000 shares

Sinking Fund—Commencing Sept. 1, 1928, of 10 per cent. of net earnings available for dividends on common stock, after allowance for depreciation, income tax, etc.

Protective Features—No additional shares of prior or equal rank may be issued, without consent of 66 2-3 per cent. of holders of first preferred stock outstanding.

Management—No change.

Purpose of Issue—Expansion of business; purchase of interests of the widow of late Joseph Stanford; additional working capital and other corporate purposes.

Listing—Application will be made to list preferred and common on Toronto Stock Exchange.

Offered—By McLeod, Young, Weir and Co., at a price of 100 and interest, with a bonus of 4 shares of no-par value common stock with every 10 shares of first preferred.

Traymore Preferred Stock Issue Being Sold Rapidly

Recent stock issue of the Traymore, Ltd., put out by Gairdner and Co., is meeting with favorable reception. It is understood that about half of the total issue has already been sold.

A feature of this preferred issue is its convertibility into common stock at rates of 2 for 1 for the first year; 3 to 2 during the second year; and share for share in the third year. In view of the market value of common stock of other chain store propositions, this convertible feature is proving an attraction.

Consolidated Pipe Stock Is Offered With Bonus

From Our Own Correspondent.

MONTREAL. — The Equitable Securities Corporation is offering an issue of preferred stock of the Consolidated Pipe Company. The particulars of the issue follow:

$200,000 Consolidated Pipe Co., Ltd.
Seven per cent., cumulative, redeemable, first preferred stock.

	Authorized & Issued
Capitalization: 7% first preferred	$200,000
Common stock (no par value)	6,000 shs.

First preferred stock: Is the senior security of the company. It is non-participating and has equal voting rights with the common and is preferred both as to earnings and as to assets. Securities senior to the preferred cannot be issued without the consent of two-thirds of the preferred shares. No dividends can be paid on the common until the company has a surplus accrued equal to four years' preferred dividends. The stock is redeemable at 105 and accrued dividends.

The company: The plant has been in operation about six months. The demand for the output has been such that it has been necessary to purchase additional equipment which will double the output. The company owns valuable patents for the manufacture of concrete pipe by centrifugal action.

Estimated earnings: The president estimates net earnings equivalent to over nine times the preferred dividend requirements, and the equivalent of nearly $20 a share on the common. This estimate is based on business in sight and on the present production costs of the company, together with the increased earnings accruable from plant expansion. It is based also on prices considerably below those of other sewer pipes on the market.

Offered: April, 1927, at par plus a bonus of one-fifth of a share of common stock with each share of preferred. Fractional common adjusted at $50 a share by Equitable Securities Corporation.

Hayes Wheels Preferred and Common Called for Trading

Hayes Wheels and Forgings, Limited, preferred and common stocks have been called for trading purposes on the unlisted section of the Toronto Stock Exchange. Preferred was quoted 94 bid, 96 asked, and the common sold as high as 29½, closing 29 bid.

Preferred stock issue was originally offered by McLeod, Young, Weir & Company, Limited, and Murray & Company, Limited, every 10 shares of preferred carrying a bonus of 3 shares of common, the unit originally selling at 100. Prices at which these stocks sold show an appreciation of between 3 and 4 points over the issue price of the unit.

Favorable tariff changes early in 1926 have had the effect of bringing down motor car prices to a level where more people can afford to buy. In consequence, motor car parts manufacturers have experienced a far greater volume of production and, hence, can be expected to show higher earnings. Already some beneficial effect has been shown as the earnings of Hayes Wheels & Forgings, Limited, for 1926 were $65,000 ahead of the 1925 earnings. Although no official figuures have been issued, it is understood that to date in 1927, earnings have been substantially in excess of the same period one year ago, and that total bond interest and preferred dividends for the year have already been earned by an ample margin. In view of the excellent outlook for the industry at present, many people feel that 1927 will show the majority of these companies operating in Canada as having earned much more than they did in the previous year.

C.N.R. Equipment Trust Certificates Sold to Syndicate

Messrs. Dillon, Read and Company announce that on behalf of a group consisting of themselves, the Dominion Securities Corporation, the National City Company, Guaranty Company of New York, Bankers Trust Company, Lee, Higginson and Company, White, Weld and Company and Harris Forbes Company, they have concluded negotiations with the Canadian National Railways for the purchase of an issue of $15,000,000 of 4½ per cent. Equipment Trust Certificates to be issued under the Philadelphia plan. It is expected that a public offering will be made some time during the present week.

The proceeds of the issue are to be devoted to the purchase of new standard railway equipment, consisting of locomotives and cars. The Canadian National Railway system, comprising approximately 22,700 miles, is owned or controlled by the Canadian Government.

The last financing for the Canadian National Railways was early in 1925, when $35,000,000 of bonds were placed by the same group of bankers.

LABOR SITUATION SHOWS NO CHANGE

Returns Lower in March, But Higher Than Same Date Since 1920

Employment at the beginning of April showed a small decline which, although involving a larger number of workers than that noted on the same date a year ago, was nevertheless considerably less extensive than were the losses reported on April 1 in the earlier years of the record and the general situation at present is better than at any similar period since 1920. Returns from 5,931 firms, tabulated by the Bureau of Statistics, show that staffs aggregated 795,727 persons, compared with 797,289 in the preceding month. The index number stood at 96.2, as compared with 91.4, 87.2, 89.3, 87.6, on April 1, in the four preceding years, respectively.

In contrast with the pronounced decline shown on April 1 of last year, there was an increase in employment in the Maritime Provinces on the date under review. Manufacturing, mining and construction were decidedly better, but logging and transportation were seasonally slacker.

Quebec Index High

Ontario and Quebec report employment to be substantially better than at the beginning of April a year ago. The index for Quebec was the highest recorded in the past seven years. Seasonal curtailment was reported in Ontario in logging and railway construction, but other major divisions of labor registered increases.

As is usual at the beginning of April, there were decreases in employment in the Prairie Provinces, chiefly in logging, coal mining and construction. Manufacturing, steam railway operation and trade,, however, registered important gains. As compared with April 1 of other years, employment was higher.

Continued improvement was noted in British Columbia, 627 reporting firms employing 71,871 workers, or 2,385 more than in the preceding month. Additions to staff had also been indicated on April 1 of a year ago, when employment was at the same level. The greatest gains were in lumber and fish preserving establishments and construction, while logging firms released some employees.

Small Block of Laundry Co. Bonds Sold by Vancouver Firm

Part of a $100,000, 15 year, 7 per cent. first mortgage bond issue of the New Method Laundries, Ltd., of Vancouver, amounting to $18,500, is being offered by the Royal Financial Corporation, Ltd., of the same city, at a price of 102.50 and interest to yield about 6.72 per cent.

Proceeds of the issue will be used for expansion of present business, as well as to consolidate various activities of the company so that full benefits may be received. Bonds are secured by a first lien on all properties and assets of the company, totaling over $300,000 and are callable on any interest date at $105 on 60 days' notice.

Profits of the New Method Laundries, Ltd., for six months ending December 31st, 1926, before deducting interest and depreciation, were $12,500 or at the rate of $25,000 per annum. Interest and sinking fund with respect to the bonds outstanding amount to $11,634 per annum. The above net earnings are almost double annual net earnings for the preceding three years.

April Dividend Payments

Summary of Payments

Dividends	$3,146,374
Bond Interest	42,433,507
Total	$45,579,881

Dividend Payments

Company	Rate	Date	Amount
Amer. Salesbook, pref. ..	1¾q	2	$58,782
B.C. Pulp, pref.	$1.75q	1	9,733
Canada Cement, pref. ...	1¾q	16	183,750
Can. Converters	1¾q	16	30,335
Can. Oil, com.	1½q	15	24,000
Cape Breton Elec., pf.	$3s	2	6,280
Cedar Rapids	¾q	16	66,750
Chase, A. W., pf.	2q	10	16,000
Christie Brown, com.....	30cq	1	23,567
Do., pref.	$1.75q	1	15,424
Cosmos Imp. Mills, pref.	1¾q	15	26,250
Dom. Bridge	$1+$2x	16	195,000
Dome Mines	25cq	5	238,333
Gosse Pack. pref.	1¾q	2	26,250
Hollinger Mines	2m	20	492,000
Humberstone Shoe, com..	50cq	2	5,000
Do. pref.	2q	2	6 000
Inter. Nickel, pf.........	1½q	2	133,689
Imperial Bank	3q	2	210,000
Inter. Paper, com........	50cq	16	125,000
Kelvinator pref.	1¾q	16	13,798
Loew's Buffalo, pref.	2q	1	26,720
Massey Harris, pref.	1¾q	16	211,572
Mortgage Corp. of N.S. ..	1½q	2	9,312
Mont. Tramways	2½q	1	100,000
Montreal W. & Pow. ..	62½cq	14	18,600
Do., pref.	1¾q	14	8 750
Nat. Brick, pref.........	1½q	16	50,094
Ont. Steel, com..........	1q	16	7,500
Do. pref.	1¾q	16	13,125
Penmans, com. (new) ..	$1.00q	16	75,000
Do., pref.	1½q	2	16,125
Pure Food Stores, 1st pf.	1¾q	2	3,062
Do., 2nd pref.	1¾q	2	3 500
Russel Motor, pref.	1¾q	2	21,000
Simpson. R. pref...........	3s	1	100,500
Standard Bank	3q	2	144,702
Sou. Can. Power, com. ...	$1s	16	60,000
St. Law. Flour pf.	1¾q	2	10,062
Steel of Can., com........	1¾q	2	201,250
Do. pref.	1¾q	2	113,684
Sherbrooke Trust	3s	1	7,500
Supertest Pete. pf. "A"	3½s	1	13 500
Do., pref. "B"...........	3s	1	6,000
Do., com.	25cs	1	12,500
Wood. Alex. & J. pref. 1st	1¾q	1	11,375
Total			$3,146,374

q—Quarterly.
s—Half-yearly.
m—Monthly.
xBonus.

Bond Interest Due in May

Company—	Rate	Int. Date	Due	Amount
Atlantic Coast Coll.	7	15	1944	175,000
B. C. Pulp	6	1	1950	111,225
Do.	7	1	1950	52,500
Belding-Corticelli .	5	1	1936	9,128
Brompt. Pulp	6	1	1935	22,530
Cal. Malt. & Brew...	5	1	1942	20,900
Canada Biscuit	6½	1	1946	52,000
Can. Nor. Power....	6½	1	1941	81,250
Cascade W. & Pr...	4½	1	1940	3,802
Cosmos Imp. Mills..	6½	15	1944	31,850
Can. Nor. Rly. Inc. Deb.	5	1	1930	603,502
Davies, Wm.	6	1	1942	68,250
Duluth St. Rly.....	5	1	1930	62 500
Do.	5	1	1930	22,100
Dominion Park	7	1	1936	3,500
Duke Price Power..	6	1	1966	1,110,000
Granby Cons.	6	1	1928	40,602
Jones Bros.	6½	15	1946	9,750
Kaministiquia Pr. ..	5½	1	1950	55,728
Mercury Mills	6½	15	1942	24,960
Montreal Cotton ..	5	1	1943	14,575
National Cement ...	7	1	Serial	52 300
Penmans	5½	1	1951	55,000
Prov. Paper	6	1	1940	40,500
Porto Rico Rlys.....	5	1	1936	53,537
Do.	5	1	1962	32,240
Prov. L. H. & Pr...	5	1	1946	23,025
Que. Southern Pr...	6½	1	1945	13,000
Ravina Properties ..	7	1	1941	5,250
Span. River Pulp...	8	1	1941	112,740
Wabasso Cotton	7	1	1942	23,870
Wahnapitae Power	6½	1	1944	16,250
Corporation Bonds				$3,003,418
Municipal Bonds				x4,062,500
Provincial Bonds				x3 199,032
Victory Loan	5½	1	1933	12,283,254
Do.	5½	1	1934	14,077,541
Do. Renewal	5¼	1	1927	799,881
Do., Renewal	5½	1	1932	2,348,881
Dom. 3-yr. Notes...	4	15	1927	160 000
Dom. Loan—N. Y...	5	1	1952	2,500,000
Total				$42,433,507

xFigure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

Dominion Textile Benefits

MONTREAL. — The disaster in the southern states may benefit to some degree the Dominion Textile Company, for the floods brought about a rise in the price of raw cotton. Dominion Textile has already purchased its cotton requirements for some months and if the rise in the raw material be continued, the company would benefit a little from the disaster.

Eight hundred families from Switzerland are expected to come out to Western Canada to settle during 1927.

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NO RECEIVERSHIP NEEDED NOW FOR G. T. P. RAILWAY

Elaborate System of Separate Accounts Will be Ended

From Our Own Correspondent.

OTTAWA.—The long and tortuous history of the Grand Trunk Pacific Railway as a unit of Canadian railroading, is about to conclude. The final phase will be when the Government of Canada goes before the Exchequer Court in the near future to seek a termination of the receivership of the road. Since 1919 the Department of Railways and Canals has been acting as a receiver and the operations of the road have been carried on by the Canadian National management. It has involved an elaborate system of separate accounts and all business done in the name of the Grand Trunk Pacific has required the signature of an Exchequer Court judge. Only once during the years of receivership has interest been paid.

No Longer Need Receiver

The final settlement with the holders of the 4 per cent. debenture of the road, approved by parliament at the recent session, makes the continuation of the receivership no longer desirable and as conveniently as possible the old Grand Trunk Pacific will be absorbed into the Canadian National Railways system with all its eighty-nine corporations. The system of separate accounts will be done away with and the system will lose its identity.

The scheme approved by parliament authorized the National Railways to issue new stock in exchange for the certificates of the Grand Trunk Pacific debenture holders. The issue outstanding was for 7,176,801 pounds. The debentures were perpetual bearing four per cent. interest. The new security will bear interest not at four per cent. but at two per cent., and two per cent will be paid annually into a sinking fund and the proceeds will be used for the retirement of the principal year by year, with the object of retiring the entire principal within thirty years.

The proceeds of the sinking fund shall be applied each year to the purchase of debentures by tender. That is, any debenture holder will be at liberty to offer his debenture each year to the sinking fund trustees. At the end of ten years the debentures shall be retired from time to time at par.

Trail Smelter Receipts

The Consolidated Mining and Smelting Company makes the following statement of ore receipts at Trail Smelter from 8th April to 14th April, 1927, inclusive, and from 1st January, 1927, to date, in tons:

	Week	Year
Company's mines	6,179	125,179
Other mines	2,447	49,661
Total	8,626	174,840

Canadian Western Lumber

The February earnings statement of the Canadian Western Lumber Co. shows sales of lumber for the month amounting to 9,356,848 feet, realizing $196,696, which compares with 12,658,818 feet realizing $301,650 for the same month in 1926.

The aggregate sales for the first two months of the year totaled 17,649,710 feet, realizing $385,059, compared with 23,526,217 feet, realizing $546,178 for the corresponding period last year.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107½	108¾
Do., 8s '45	106½	108
Buff Gen Elec 1st 5s '39	104	...
Do., pref. 5s '39	104	...
Bfo N & E Pow 5s '30	100	101
Lockport L H & P 5½ '54	103	...
N. F. 1st & com. 6s 1950	105	106
STOCKS		
Niagara Falls Pw. pf.	28⅛	28⅞
Niag Lock & Ont. pf.	113¼	115

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	3	4
Do., 1 pref. and 2 com.	..	7
Can. Machinery, com.	5	7
Can. Westinghouse, com.	187	195
Chase, A. W., com.	5	8
Do., pref.	70	80
Goodyear Tire, 6% pref.	98	101
Gunns, Ltd., pref. (new)	102	..
King Edward Hotel, Deb. A	78½	81
Farmers Dairy, com.	67	70
King Edward Hotel, Deb. B	71	73
Loew's Buffalo, pref.	39	45
Nat. Grocers, 1st pref.	94	98
Nat. Grocers, com.	3	4
Continental Life, 20% paid	46	52
Crown Life	188	..
Empire Life	27	30
Excelsior Life, 20% paid	75	85
Great West Life	425	450
Monarch Life, 10% paid	38	42
Mortgage Discount, pref.	6	6¾
Ontario Equitable	27	30
Security Life, 40% paid	..	28
Sun Life, 75% paid	1000	1200
Toronto Finance, pref.	3	4
Canada Life	900	1100
Capital Life, 20% paid	23	..
Farmers Dairy, pref.	100	105
Dom. Combing Units	15	25
Dom. Sewer Pipe	53	56

Tenders and By-laws

May 3, Town of Preston.—$60,811, 5 and 5½ per cent., 10 year debentures. Geo. Winster, town clerk.

May 7, Town of Laval des Rapides, P.Q.—$10,000, five per cent., twenty-year bonds. J. A. Paquette, sec.-treas.

May 7, Village of Beaverton—$44,400, 5½ pe rcent., 15-instal. street paving debentures. G. R. Yule, clerk.

INCOME TAX PROBLEMS

Depletion of Mines and Oil Wells

By an Income Tax Expert

PROBLEM NO. 17.

Following the definition of "income" it is provided that:

> "The minister in determining the income derived from mining and from oil and gas wells and timber limits shall make such an allowance for the exhaustion of the mines, wells and timber limits as he may deem just and fair."

The allowance arising under this quotation are:

Gold and silver mines, 50 per cent. of the net income, which percentage is regarded as a return of capital or depletion. Lead, zinc and other less precious minerals 25 per cent of the net income.

Shareholders also Benefit

The exemption is afforded not only to the company, but to the shareholders as well inasmuch as the company on distribution of its income distributes that portion of its income which the department has regarded as a return of capital under the heading of depletion and therefore the shareholders are receiving in dividends some measure of capital, hence the equivalent allowance of 50 per cent. and 25 per cent. in assessing the shareholders to income tax.

Coal mines receive 10c. a ton of the coal mined as an allowance for depletion but the shareholders are not afforded exemption to the extent of 1/10 of their dividend income. Just why this should be is not fully appreciated but it would seem that the shareholders of the precious metal mines have received a benefit through the theory outlined above that on a closer analysis they might not be entitled to, but the practice appears to have been well-established in the department and is certainly a more desirable means of dealing with depletion than the method employed in the United States, both from an administrative and a taxpayer's point of view.

Not on Leasehold Property

From the wording of the quotation it would appear that because a company is deriving income from mines and from oil and gas wells and timber limits it should get depletion, but it is difficult to believe that depletion was to be afforded in respect of an asset not owned by the mining company and this is the neat question that arises when the company is mining leasehold property.

A lease differs from ownership of the soil or the mineral and a lease to mine is merely a right to enter upon the land of another and take some profit of the soil. It is the grant of a right to enter, search for and dig and carry away as much as may be dug. It is a grant of what is called an incorporeal right and passes the property in such mineral only as shall be dug. It is a profit à prendre. a lease which grants an easement which entitles the dominant owner (lessee) to enter upon his neighbor's land or a lease which grants the use of the land is distinct from a profit à prendre which entitles the owner of it to take some profit from the soil, thus a grant of all the gold or other mineral in or upon certain land is a grant of part of the land itself and passes complete ownership in the mineral to the grantee, but a grant of the right to enter, search for and dig a mineral and carry away as much as may be dug is as stated an incorporeal right and passes the property only as and when dug. Accordingly such a lessee does not own the asset which is being depleted. He is merely winning and taking raw product which he sells in a more or less refined state. The lessor is the man who owns the asset that is being depleted and he is entitled to depletion. Depletion cannot be given twice in respect of the same asset, which would be the case if the lessee were also given depletion.

Accordingly, companies intending to operate under such leases would be well advised to secure a grant of the mineral subject to reconveyance on the non-fulfilment of certain conditions such as continuous mining or keeping up the assessment charges and the like. In this way the lessee, who is the real miner and who it was probably desired and intended should have the depletion, will get it.

Belongs to Fee Owner Only

The substantial principles established by the law appear to be that both the royalties received by the fee owner and the sums received by the operating lessee from operations constitute income of each of the parties and cannot be reduced under the heading of depletion once for the fee owner and once for the lessee. The exemption belongs as to the right to the fee owner only.

RAILWAY EARNINGS

Wk. end. Apr. 21:	1927	1926	Change
C. P. R.	$3,240,000	$3,043,000	+$197,000
C. N. R.	5,009,109	4,640,880	+ 368,228

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s, 1940	104	105
Algoma Steel 5s, 1962	29¼	30¼
Alberta Pac. Grain 6s, 1946	98	98½
Bell Telephone 5s, 1955	102	102½
Belgo. Can. Paper 6s, 1943	102	102⅝
Brandram Henderson 6s, 1936	97½	99¼
B. C. Pulp & Paper 6s, 1950	85	88
Brompton P. & P. 6s, 1946	99¾	100
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	88¼	90
Calgary Power 5s, 1940	92¾	93¾
Canada Lt. & Pr. 5s, 1949	93⅛	94⅛
Can. Nor. Power 6½s, 1941	101¾	102½
Canada Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	99	99⅝
Can. Steamship 6s, 1941	98	98⅝
Can. Steel Fndry, 6s, 1936	104½	105½
Davies, Wm., 6s, 1942	93½	94¼
Dominion Iron 5s, 1939	28½	31
Dominion Power and Tr. 5s, 1932	97	97¾
Drummond Investment 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	105⅛	105½
East Kootenay Pr. 7s, 1942	103½	104½
Elec. Development 5s, 1933	100⅛	100⅝
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98⅝	99
Gatineau Power 5s, 1956	97¼	97⅝
Gatineau Power 6s, 1941	100½	101
Howard Smith P. & P. 6s, 1941	104	104⅝
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	92	94½
Lake Superior P. & P. 6s, 1941	106¼	107½
Laurentian Pr. 6s, 1936	103	104½
Laurentide Pr. 5½s, 1946	101	102
Maple Leaf Mfg. 6½s, 1943	103½	104½
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	99¼	99¾
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	99¾	100¼
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	101	102
Nor. Can. L. & P. 6s, 1946	101	101⅝
Nor. West Utilities 7s, 1938	99⅛	99¾
Nova Scotia Steel 5s, 1959	59	62
Nova Scotia 6% Debs.	32¼	34¾
Nova Scotia Tram. 5s, 1946	92	93½
Nova Scotia Tram. 7s, 1952	99½	100¾
Ont. Pulp & Paper 6s, 1931	109½	111
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	104	105
Ottawa Trac. 5½s, 1953	101½	102
Ottawa River Pr. 6½s, 1953	102½	103
Port Alfred P. & P. 6½s, 1943	101¾	102½
Price Bros. 6s, 1943	103⅞	104⅜
Prov. Lt. Pr. 5s, 1946	100¾	101¾
Quebec Pr. 6s, 1953	107	107⅝
Rio Tramway 5s, 1935	95½	96¼
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper, 6s, 1946	97¼	98
St. Maurice Pr. 6½s, 1953	107⅞	108½
St. Maurice Valley 6s, 1945	99¼	100¼
Shawinigan W. & P. 6s, 1950	105¼	106
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	99	99½
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103½	105
Ottawa Mont. Pr. 6½s, 1949	102¼	103⅛
West. Pr. of Can. 5s, 1949	97⅛	98

This Week's Bond Sales

PROVINCE OF ALBERTA

The province of Alberta has sold to a syndicate composed of Dillon, Read & Co., New York, and the Dominion Securities Corp., a new issue of $3,875,000, 4½ per cent. bonds, maturing June 1, 1967, at a cost to the province of approximately 4.69 per cent. basis.

There were several other Canadian and New York syndicates bidding for this issue and the price received was among the highest paid for any long term Western Canadian provincial issue for some years.

CITY OF VANCOUVER BONDS

A syndicate composed of Wood, Gundy & Co., the Royal Bank of Canada and Pemberton & Son, Vancouver, were successful tenderers for the new issue of $2,025,000 City of Vancouver five per cent. bonds. Of the total issue, $1,575,000 are due in 1967 and the remaining $450,000 in 1942. It is understood that the 1967 maturity bonds are the longest Canadian government or municipal securities available in this market at the present time. Alternative tenders were called for bonds payable in Canada only or for bonds payable in the United States and Canada. Although a higher price was offered for bonds payable in New York, the city decided to accept tender for bonds payable in Canada only. At the price of 101.80 the cost of the loan to the city is 4.89 per cent.

The bids were:

	Payable Canada Only	Payable U.S. and Canada
Wood, Gundy & Co., Royal Bank of Canada, Pemberton & Son	101.80	102.61
A. E. Ames & Co., Bank of Nova Scotia	101.29	102.02
Fry, Mills, Spence & Co., Cochran, Hay & Co., Gillespie, Hart & Todd, Odlum & Co.	101.077	101.681
Can. Bank of Commerce, Royal Securities Corporation, Guardian Co. of Detroit	....	102.019
Dom. Securities Corp.	....	101.29
Bell, Gouinlock & Co., McLeod, Young, Weir & Co.	....	100.88

BOND MOVEMENTS OF THE WEEK

Week Ending April 26

				Range, 1926		Range, 1927				Latest Price	
Bonds—	Int. Rate	Due	Yield	High	Low	High	Low	Ask	Bid	High	Low
Asbestos, 1st mtge.	6	1941	5.81	..	..	101¾	96¼	101⅞	101⅛	101¾	101⅛
Do., Gen. mtge.	6	1956	6.54	83¾	81	94⅛	88	93¾	93	93	92⅞
Can. Canners	6	1950	6.00	100	94	100¼	96½	100	99½	100	99½
Cedar Rapids	5	1953	5.00	101½	98⅛	101	99	..	100	100	..
Dom. Iron	5	1929	....	94	86	92	69	..	79¼	80	78
Montreal Power	5	1933	5.46	99½	99½	100	97½	..	..	97½	..
Montreal Tram. "A"	5	1955	5.22	95	92½	97¾	94¼	96¾	96⅜	96¾	96⅜
Do.	5	1941	5.04	98½	93	99⅞	98¾	99½	..	99½	..
Wayagamack	6	1951	6.12	100⅝	90	100	97	98½	..	98½	..
War Loan	5	1931	4.65	100.40	100.35	101.85	101.00	101.45	101.20	101.35	101.25
Do.	5	1937	4.57	104.95	102.75	103.50	102.95	103.50	103.25	103.35	103.10
Victory	5½	1927	4.55	102.50	100.15	101.00	100.25	100.60	100.40	100.55	100.25
Do.	5½	1933	4.68	106.35	103.20	104.80	103.90	104.45	104.40	104.55	104.20
Do.,	5½	1934	4.87	104.40	102.65	104.05	103.15	103.90	103.80	103.95	103.65
Do.	5½	1937	4.62	109.30	106.70	108.00	106.90	107.50	107.40	107.45	107.10
Do., Renewal	5½	1927	4.55	101.95	100.00	100.80	100.20	100.60	100.45	100.50	.....
Do., Renewal	5½	1932	4.84	103.90	102.00	103.55	102.45	103.35	103.10	103.15	103.00
Do., Refund.	5	1928	4.60	101.35	99.00	101.45	100.00	100.60	100.45	100.35	100.20
Do., Refund.	4½	1940	4.55	96.95	95.60	99.75	96.60	99.75	99.50	99.75	99.30
Do., Refund.	5	1943	4.74	102.80	101.10	103.30	102.30	103.55	103.25	103.30	103.00
Do., Refund.	4½	1944	4.52	97.15	95.70	99.70	98.05	99.75	99.50	99.70	99.10
Do., Refund.	4½	1946	4.56	96.90	95.65	99.50	96.70	99.90	99.50	99.45	.....

ASBESTOS MEETING OPTIMISTIC IN TONE

President Outlines Problems—Additions to Plant Will Cost $2,000,000

From Our Own Correspondent.

MONTREAL.—The atmosphere surrounding the annual general meeting of the shareholders of the Asbestos Corporation was charged with a feeling of what might be called mild optimism. The shareholders expressed their satisfaction at the way in which the company was managed and W. G. Ross, the president and general manager, in presenting the annual report, reviewed the situation at present affecting the company and outlined its plans for the future.

Mr. Ross stated that care and thought is being given to the problem of consolidating the company's various developments so that the output of each of the properties may be treated in the way to secure the best results from the many different grades of ore which are mined.

The merger brought in its train the need for various extensions to the plants, some of which have already been completed. At one of the properties a large sum is being expended to change completely the milling equipment; with the new plant it is expected that the corporation will be able to produce a grade of mineral which hitherto was not produced at this property.

Will Spend $2,000,000

The work at the Beaver and the Consolidated pits which adjoin one another is being merged into one operation and a new modern mill is planned, which will handle the entire output from both pits. The cost of this extension to the properties will be between $1,500,000 and $2,000,000. It will be completed in about two or three years.

There was one change in the board of directors, H. J. Fuller being replaced by Philip S. Ross. In accordance with the terms of the organization of the present consolidation, the directors are elected by the three managements trustees.

In his remarks to the shareholders, Mr. Ross said that orders at present on the books were ahead of last year and concluded with these remarks:

"The orders on hand for this year are satisfactory, and while the prices for the better grades of material are holding steady, the prices of the lower grades have fallen off.

Conditions Are Improving

"The conditions abroad seem to be improving. My visit to Europe last summer, which is the company's principal market, gave me an opportunity to study the situation and prospects of the asbestos business at first hand, and to consult with our foreign agents and discuss with them matters of import. In Germany, our representatives are quite optimistic of the increasing uses of asbestos. The Australian factories are busy. In Italy, the Eternit Works are increasing their output and have developed to a high state of success the making of gas and water pipes of asbestos and cement, which are taking the place of cast iron pipe, due to its cheapness with strength and wearing qualities equal to cast iron. In Belgium and France, especially the former, the asbestos shingle business is making rapid strides. In England, the asbestos business is also expanding. As for the United States, where the smaller percentage of the revenue of the company is obtained, factories continue active and business is fairly encouraging.

"We have had a rather trying time this winter through bad weather conditions at the mines and we have had a reduction in output, but the year's results in this direction will average up, and the prospects for the future are not without their bright spots."

To Handle Canada Bread

Union Trust Company have been appointed transfer agents and registrars of the capital stock of the Canada Bread Company Limited for all classes of shares, preferred, preference B, and no par value common.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Vancouver	April	Wood, Gundy & Co., and Syndicate	5%	....	$2,025,000	101.80	4.89
Maidstone Twp.	April	G. Carruthers & Son	5%	30-ins.	75,000	....	...
		Provincial					
Alberta	April	Dillon, Read & Co., and Dom. Secur. Corp.	4½%	1967	$3,875,000	96.55	4.69
British Columbia	April	Hallgarten & Co. and Syndicate	4½%	2-yr.	3,850,000	....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Lethbridge Breweries	April	W. Ross Alger Corp.	7%	10-yr.	$400,000	....	...
Digby County Power Board	April	Eastern Securities Co.	5¼%	30-yr.	75,000	106.91	5.05
C. N. Rly. Equip. Trust Certificates	April	Dillon, Read & Co., and Syndicate	4½%	....	$15,000,000	...	...
STOCK ISSUES							
Stanfords, Ltd. (A bonus of 4 shares of common with 10 shares of 1st preferred.)	April	McLeod, Young, Weir & Co.	7%	1st pref.	$500,000	100	7%

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Insurance for Buyer and Seller

Canada Most Fortunate in Life Insurance Law

Has Found Middle Ground in Governmental Control

OUTLINE OF PRACTICE

Comparison Shows British, American and Canadian Policies in Governing Companies

By ARTHUR PEDOE,
Actuary, Continental Life Insurance Co., Toronto.

Canada has been fortunate in her Dominion life insurance legislation in striking a middle course between the unnecessary restrictions of the United States and the "laissez faire" methods of English insurance legislation. Except for certain sane and salutary limitations, Canadian companies are unhampered in conducting their business. The companies are expected to conform to certain accepted actuarial principles as regards the reserves they hold; a detailed list of their investments and values according to market price must be given, and the limitation of investment powers is reasonable. Otherwise, they are allowed complete freedom in the development of their business. The Dominion Superintendent of Insurance holds a watching brief in the interests of the business as a whole and no small part of the great development of Canadian life insurance companies throughout the world is due to the sensible system of regulation and supervision as directed from Ottawa. How does this Canadian method of regulation compare with the supervision exercised in England and the United States?

How U. S. Regulates Insurance

The supervision and regulation of life insurance in the United States is in the hands of the forty-eight odd insurance commissioners of the various states, each of which is a law unto itself in the matter of the details it may require from the companies and the insurance laws it may enact. Each state has the right to examine a company irrespective of the examinations of the other states, with the consequent abuse of unnecessary duplication of examinations with profit to no one except the examiners. Volumes of departmental reports which contain almost the same information are published by various states at considerable expense of time and money, an expense which is thrown entirely on the policyholders of the companies through the imposition of innumerable fees and taxes. Special forms and policy provisions are required by some states, those of one state differing radically from those of a neighboring state with the consequent duplication of forms and increased detail work in the companies' offices and an amount of labor and expense for which there is no compensating return.

New York Laws are Strict

The standards of restrictive legislation in the United States, can best be measured by the New York Insurance law of 1906. This legislation was a result of Armstrong investigation in New York, into the management of some of the big American life insurance companies, and which led to the enaction of drastic measures for their regulation and supervision. Drastic restrictions were introduced in the powers of investment, expenses for new business were fixed, deferred dividend policies were prohibited and a limitation was put on the amount of new business which a company could write. The New York Law of 1906 still remains, with slight modifications, the basis of operations of life insurance companies in New York State and it has been copied to a greater or less extent by many of the other states.

British "Freedom and Publicity"

An entire contrast is the system in Great Britain. The first Life Insurance Act of 1870 laid down the principle of "freedom and publicity," which principle has been adhered to throughout subsequent years. It was then considered that the insurance business should have the same freedom of action as any other commercial enterprise, and equally that policyholders should be furnished with such information as to enable them to ascertain the security offered by the companies. There are no restrictions whatsoever as to the investment of the life funds and no individual list of securities need be published. The companies are required to publish their annual accounts in a certain form which are published by the Government Board of Trade.

In Great Britain the average age of the insurance companies is over 80 years and there are about a score of the life offices which have been transacting business for over a century. The companies have always opposed any attempted supervision by the government of their business and there has been little need in the past for such supervision as regards the old established companies. However, the recent failure of two small life insurance companies in England, although commercially insignificant, attracted considerable public attention on account of the weaknesses disclosed in the law. In one of the cases, although the published valuation returns of the company showed it to be hopelessly insolvent, yet the government had not the power to wind up the company and protect the interests of the policyholders. The company was able to continue writing new business and become even more hopelessly involved before the shareholders decided to wind up the company.

As a result partly of the events mentioned, an investigation was held into the existing insurance legislation and the results of the enquiry are contained in a report which has just been issued. This report proposes many important changes with a view to requiring greater details from the companies as regards their assets, the values placed on the assets, and also provides for greater protection for the life funds in the case of a composite company.

As regards industrial assurance, even greater changes have been introduced. Following an investigation into this business an Act was passed in 1923 whereby a commissioner was appointed to supervise the business, and other features were introduced which were a total departure from the previous practice of "freedom and publicity" and an adoption of the form of government supervision as practised in Canada and the United States.

In conclusion it might be said, that the only cause for concern in the "middle course" which has been pursued with such success by Canada, and towards which both the United States and Britain seem now to be turning, is the possible conflict between the insurance departments of the various Provinces and the Insurance Department of Ottawa. Any overlapping of their powers would result in confusion to the detriment of the life insurance business.

As far as the various provinces are concerned, they work very closely together and their adoption (with the exception of Quebec) of a uniform code of insurance laws relating to the rights of the assured, beneficiaries, minors, etc., is a legislative feat which redounds very much to the credit of Canada. It should not be impossible for the provinces to come to some working agreement with the Dominion government defining their separate spheres of action to avoid overlapping and making for the general benefit and development of life insurance in Canada.

Gives Background for Big Congress

In order that Canadian life insurance men may obtain an authoritative picture of the International Congress of Actuaries to be held in London, Eng., in June, The Financial Post has arranged with Arthur Pedoe, F.S.S., F.I.A., actuary of the Continental Life Assurance Co., for a series of articles covering both the congress itself, and the relationship between Canadian, British and American practice in matters which are under discussion. This series of articles which commenced in the last issue of The Financial Post, will tell in a brief, interesting way, the differences in practice and conditions that prevail in life insurance in the three great Anglo-Saxon countries. In addition, Mr. Pedoe will attend the congress, and will write for The Financial Post, his impressions of this international conference of life insurance men.

Canada Life Appoints Prang

Garwin W. Prang of the Canada Life has been appointed branch manager for North Alberta. He was formerly located at Stratford, Ont. His new headquarters will be at Edmonton.

TRUST COMPANIES WORK WITH LIFE MEN

National Trust Official Outlines Methods of Co-operation Between Two Groups

Talking to life insurance underwriters in Toronto last week, H. V. Laughton, estates manager of the National Trust Co., asked some questions that are full of potentialities for the life underwriter One of the questions was: "How can the life insurance underwriter co-operate with the trust company in conserving his client's estate?" Here are some of his answers.

(1) The life insurance trust. Relieves the underwriter of the legal and testamentary details of a settlement policy, and guarantees for the client's beneficiaries, the most sympathetic and authoritative advice in the discretionary distribution of his estate.

(2) Provision for ready cash at death. All estates, both large and small, must have liquid assets that are immediately available upon the death of the testator. By co-operation with the trust company, the life underwriter can take advantage of the fact that life insurance is the best and simplest means to accomplish this end.

(3) Succession duties. There are very few exceptions to the rule that only an expert can accurately compute and prepare an estate in regard to succession duties. One small mistake on the part of the underwriter may cost a client thousands of dollars, yet through cooperation with a trust company, an invaluable and thoroughly reliable service may be rendered.

(4) Insuring close corporations. The death of a partner in a close corporation may mean untold hardship to the surviving widow and to the remaining partners, if there is no provision for buying out each partner's share in the company. A life insurance policy on the lives of the partners, and placed in the hands of a trustee, provides the most happy solution to this problem, and insures ready cash to purchase the deceased partner's share. Co-operation between insurance men and the trust company pave the way for business of this type.

(5) Insuring the small estate. Cooperation between the trust company and the life underwriter promotes to the full, the need and the possibilities of insuring the small estate for any or all of the following reasons: To pay off a mortgage. To complete the payments where there are heavy expenditures on the instalment plan—houses, furniture, an automobile, or property of a similar nature. The education of children, so that the estate may not be impaired in the early years when payments of this nature are likely to be heaviest. To provide ready cash for the crucial period between death and the time that income commences to come in from the estate.

Mr. Laughton's talk was given at the regular monthly dinner of the Life Underwriters' Association of Toronto.

Chartered Secretaries Getting Under Way

"This organization will provide a new and valuable outlet for our students entering the business world," said Sir Robert Falconer last week in the course of an address to the newly-formed Ontario branch of the Chartered Institute of Secretaries. "It is one of our problems to guide students into useful and profitable occupations and to keep them here in Canada. This new profession, which comes from England with a background of age and prestige, will be a welcome outlet for many of our graduates."

Sir Robert is the newly-appointed president of this organization, which operates under a royal charter and aims to establish a definite standard of education and training among the secretaries of joint stock companies and other bodies. The institute is composed of members, associate members and students, the first-named being designated as fellows and writing after their names the letters F. C. I. S. There are two branches in Canada, the first having been organized at Montreal some years ago. The meeting held last week marked the first official opening of the Ontario branch, and reports were read from various parts of Ontario, recording the progress that has been made in establishing local centres for carrying on the educational side of the organization.

DOMINION GUARANTEE BUYS CASUALTY CO.

Transaction Results from Recent Legislation Passed at Ottawa

The announcement made this week by the Dominion of Canada Guarantee & Accident Co., that they have purchased the Casualty Company of Canada, comes as a direct result of the recent amendment in the Insurance Act, which allows Canadian fire or casualty companies to invest in the stocks or securities of other Canadian companies which carry on a like business. This amendment was finally assented to about two weeks ago and is now in force, the only proviso being that the sum so invested shall not amount to more than 15 per cent. of the investing companies assets. The act was placed on the statutes with a view to checking the gradual disappearance of purely Canadian fire insurance companies, which were being absorbed by British and foreign companies who were unhampered by any restrictions as to what stocks they should hold.

The announcement that the Dominion of Canada Guarantee & Accident Co. had made the purchase of the Casualty Co. comes simultaneously with the announcement of an increase in the capital stock of the former. The paid-up capital stock is to be increased from $400,000 to $700,000, and the present shareholders of the company are allowed to subscribe to the new issue in the ratio of three shares of new stock for every four shares now held. The proceeds of the sale are to be used largely for the purchase of the new company, which is at present held in trust by some of the directors of the purchasing company. This arrangement was made about a year ago, but no formal sale of the company could take place in view of the restrictive legislation that then existed.

The Casualty Co. of Canada has a paid-up capital stock of about $100,000, and the price that is being paid by the purchasing company is $175 per share. As far as the Dominion of Canada Guarantee Co. is concerned, the stock of the company is very closely held, being almost entirely held by the Gooderham family. The current price of the stock is about $360, the dividend rate being 17 per cent. per annum. It is the intention of the directors to reduce this rate of dividend almost immediately. In commenting on the position of his company at the present time, C. A. Withers, general manager of the Dominion of Canada Guarantee Co., states that business for the current year has been exceptionally heavy, but that claims have been more than usually high.

Sun Life Promotes Men

The Sun Life report the following staff changes. H. A. Chisholm, former Canadian Trade Commissioner to India and Ceylon, has been appointed division manager in Cuba. Mr. Chisholm, prior to his position in the Far East, held a similar position in Cuba for the Dominion Government. He is a graduate of Queen's University.

A. V. Fortye has been appointed secretary of United States agencies. Mr. Fortye, was formerly division secretary in Portland, Oregon.

M. Macauley has been appointed secretary of Eastern agencies.

BRITISH EMPIRE
Underwriters' Agency

Head Office - Toronto

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THE
ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE CO.
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Assets (Dec. 31, 1926) $3,822,316
Reserves 2,422,896
Insurance in Force...33,050,441

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HEAD OFFICE
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Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

"How about it, Daddy?
I shall be all right, but what about Mother till I can be her man?"
Protection with Profit
The Great-West Life Assurance Company
Head Office Winnipeg
35

That Mortgage

Is a mortgage one of the things you are leaving your wife?

Not a very welcome legacy, is it? And so unnecessary!

You're probably paying 6% or 7% on that mortgage now. For an outlay on life assurance averaging about 1% additional, you can provide that, in case of your death, the mortgage can be instantly paid off.

Such a policy does more than guarantee your dependents easy circumstances. It assures you an easy mind.

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Head Office: Montreal

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1. The American Credit-Indemnity Co. has been writing Credit Insurance for thirty-five years—*longer* than any other company.

2. This Company writes *more* Credit Insurance than any other company in the world. Its yearly volume of premiums is practically equal to the combined credit insurance premiums of *all* other companies.

3. This Company writes Credit Insurance *exclusively.* The entire thought and interest of the large home office organization, as well as the 47 branch offices, is concentrated on the one subject of credit insurance—and how to make it more valuable to *you.*

4. This Company offers the maximum safety and protection. The joint report of the examiners of the Insurance Departments of New York and Missouri said: "...the company is in a sound financial condition....books of account and records are accurately compiled...treatment of policyholders and claimants is fair and equitable...claims are promptly paid."

5. This Company has a more highly organized and farther extended Collection Service than has any other company writing credit insurance.

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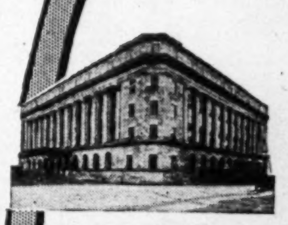
In Canada, Of Canada, For Canada
Take all the premiums ever collected in Canada by Metropolitan Life, and compare them, first with the claims paid on policies in Canada; second with the Metropolitan investments in Canadian securities; third with Metropolitan operating expenses in Canada; those three things exceed by $53,000,000 all of the premiums ever collected in Canada by Metropolitan Life.
Canadian Head Office .· Ottawa

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Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

Current Events in Banking World

DOES NOT AGREE CHEQUE EXCHANGE CAN BE UNIFORM

This Bank Manager Disagrees With Recent Suggestions

By C. PAYELL.

An article appeared recently on this page relative to the desirability of charging uniform rates on cheques cashed at places other than the places drawn upon. While most bank men are doubtless thoroughly in accord with the principal ideas expressed therein, the concluding paragraph of the article affords grounds for some criticism. This paragraph, quoted below, does not appear to be quite fair to the well managed branch office, and therefore seems unfair to the vast majority of managers.

"We feel certain that when the general public are given rates which are definite, and not left to the sometimes erratic bank clerks, that one of the principal causes of dissatisfaction will have been removed, and the banks by stating their charges, will be benefited considerably by encouraging a better feeling on the part of the banking public towards them."

In view of the painstaking and effective work accomplished by different committees, and by individual members of the executive staffs of all the banks, in connection with the subject of minor profits, it will no doubt prove of considerable surprise to them, and to many other readers of the article, to learn that the important matter of exchange rates is left to the discretion of bank clerks. At first glance one might think that the writer had possibly intended to place the word "sometimes" between the words "left" and "to"; in that event his statement might have been taken more seriously. Notwithstanding anything said to the contrary in the article, customers of banks may rest assured, that this question is not left to the whims of tellers or other clerks except perhaps at a few branches where the management is not all that it should be.

Different Kinds of Treatment

With regard to the main question; various accounts call for different kinds of treatment. The collateral advantages in connection with each account must inevitably be taken into consideration when establishing a schedule of rates; the difficulty lies in finding a schedule to fit all accounts and it is practically impossible to do so. For example, James Black may carry a free balance of $10,000; surely his account is deserving of more favorable exchange rates than those of his competitor, Charles White, whose average balances hover a little over the zero mark and sometimes go below.

It is an extremely simple matter to draw up a schedule of rates, but it is quite another thing to put them into practical effort generally; that is why it has been so difficult at some points to bring about a definite understanding with regard to their uniformity.

Getting Down to Cases

Experience has proved that much may be accomplished in treating each individual case on its own merits. In most instances customers will be found reasonable to deal with, and the loss of one or two cantankerous and unreasonable clients will be more than compensated for by the larger number of well satisfied customers who, generally speaking, will not object to see their bank run on sound business principles and will be quite willing to pay their way accordingly. Telegraph companies are not known to transmit certain kinds of telegrams free of charge; no railway companies are in the habit of carrying freight without payment; the public frowns upon "passes" (although the individual does not object when he gets one himself); no merchant, jobber, manufacturer or other business man would dream of giving away one of his goods for nothing; then why should anybody expect banks to sell some of their services, dispose of some without profit, and give away others? If the matter is placed before him in this light, the average customer will see the reasonableness and force of such an argument. Efforts to bring about exchange understandings between banks have often proved abortive in their results and have caused friction, whereas individual managers have accomplished far more through intelligent discussion in effecting an increase in rates of exchange on cheques.

En passant, in calculating interest on outstanding cheques, the psychological effect on the customer will be in the right direction if a six per cent. rate is quoted.

Weekly Bank Clearings

(In comparison with the same week last year)

WEEKLY BANK CLEARINGS

EASTERN CITIES

	Apr. 22 1926	Apr. 21 1927
Halifax	$2,528,815	$2,565,974
St. John	2,820,589	2,081,890
Moncton	782,090	759,821
Sherbrooke	800,023	882,784
Quebec	5,474,376	3,327,929
Montreal	113,070,815	89,347,327
Ottawa	7,602,990	6,900,121
Kingston	723,107	863,796
Peterboro	738,716	786,021
Toronto	113,413,259	90,480,489
Hamilton	4,988,319	4,846,453
Brantford	1,071,139	1,038,874
London	2,843,828	2,625,846
Chatham	683,693	637,866
Sarnia	....	667,189
Kitchener	932,674	941,497
Windsor	3,941,198	3,915,205

WESTERN CITIES

	Apr. 22 1926	Apr. 21 1927
Fort William	$ 655,061	$ 956,776
Winnipeg	43,574,559	39,252,894
Brandon	652,220	502,306
Regina	8,026,888	3,061,537
Saskatoon	2,056,048	1,488,100
Pr. Albert	465,604	334,723
Calgary	7,523,551	5,656,498
Lethbridge	563,059	460,517
Edmonton	5,248,989	4,116,696
Medicine Hat	291,066	267,803
N. Westminster	908,385	620,263
Vancouver	17,555,795	14,034,607
Victoria	2,249,713	1,846,595
Moose Jaw	1,160,871	976,517

Staff Gossip

A. J. Meredith of the Standard Bank staff has been transferred to Craven, Sask., near Regina.—Examiner, Barrie.

* * *

Mr. McQuillan, teller of the local branch of the Standard Bank has been transferred to Belleville. Peter Dow, ledger keeper will take over the teller's position.—Sun-Times, Owen Sound.

* * *

W. J. Joyner, who has been accountant on the staff of the local Bank of Montreal for the past five years has received word that he is to be transferred to the Hanover branch of the bank in a similar capacity.—Reporter, Galt.

* * *

A. R. Phillips, who has been accountant at the Bank of Nova Scotia in this city for the past two years, has been transferred to Saint John as accountant at the North End branch of the bank. He will be succeeded by C. O. Semple, who has been teller at the local branch for some time. Mr. Semple is being succeeded as teller by A. K. Ross, who has been transferred from Perth, N. B.—Gleaner, Fredericton.

* * *

J. C. M. Fowler has left for Lake Alma, where he is taking charge of the newly-opened branch of the Canadian Bank of Commerce for the present.—Star, Radville.

* * *

A familiar face is soon to be withdrawn from the banking circles of Vancouver in the transfer of A. M. Blott, for five years accountant at the head office of the Bank of Montreal to the office in San Francisco.

Mr. Blott is leaving about May 10 and will take up the position of joint manager of the branch.

Incidentally, the bank there got re-christened recently, being named the Bank of Montreal at San Francisco, in place of the British American Bank, as hitherto.—Province, Vancouver.

* * *

Showing appreciation for his efforts here during the past seven years, customers and branch managers of the Bank of Toronto here recently honored W. A. Peto, who has been acting manager of the main branch for some months. Mr. Peto was made the recipient of a chest of silver, three-piece silver set and tray and umbrellas for himself and wife. The gifts were made as tangible tokens of appreciation for the activities of Mr. Peto while in the main branch of the bank here.

The recipient of the gifts took over the duties of acting manager on the death of the late manager and has now gone to Toronto, where he is joining the staff of the head office.—Free Press, London.

NO FEDERAL DISTRICT YET FOR OTTAWA BUT IS LIKELY TO COME

(Continued from page 10)

to the efforts of the Improvement Commission. From the Government Experimental Farm at one end of the city to the Royal Canadian Mounted Police barracks at the other, almost everything that is worthy of a pause to observe is traceable to the Government of Canada.

In spending $150,000 annually since 1919 the Improvement Commission has been able to do little more than maintenance work. The additional $100,000 added now to the yearly grant will enable it to set out on new undertakings, but as cities grow and land values rise these amounts of money lose their power. Hon. Hugh Guthrie, Conservative Leader, expressed regret that the improvement of Ottawa had gone on so slowly. He believed that the $250,000 was too small.

"We should start on a larger scale over a longer term of years and let it be definitely understood that a certain substantial sum of money annually shall be set aside to make the capital of the country what it should be and what nature intended it to be. I doubt whether there is a capital in the world so splendidly endowed by nature as is the capital of Canada. . . . I believe we shall be doing something of which we ourselves shall be proud and of which the people of the country will approve, if we adopt even a more extended scale than that submitted by the government. . . . Washington entered upon a scheme involving a twenty-five year program with financial obligations amounting to about $20,000,000 per annum. We of course will not attempt anything like that, but it seems to me that now we are dealing with the matter we might extend the proposal somewhat."

Personnel of Commission

The Federal District Commission is appointed by the governor general in council and holds office "at pleasure." The present personnel is as follows:

T. Ahearn, chairman; G. E. Fauquier, W. E. Matthews, W. T. Macoun, P. H. Murphy, Dr. R. Chevrier, A. E. Provost and J. P. Balharrie (Mayor of Ottawa). Under the act of this year there are ten commissioners, thus two are still to be appointed. Among other distinguished past commissioners were Sir Sandford Fleming, Sir William Hingston and Sir Henry Egan.

New Insurance Licenses

Dominion licenses have been granted to the Sun Insurance Co. Office to transact burglary insurance, and to the Dominion of Canada Guarantee & Accident Co. to transact sprinkler leakage insurance.

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees

Savings Department
Real Estate Department

CHARTERED TRUST
& Executor Company
46 King St. W., Toronto

Objectives Help Bank Build Profit

By A. G. HARRINGTON, Campbellton, N.B., in "The Caduceus," staff paper of the Canadian Bank of Commerce.

It did not take the holidaying banker long to size up conditions in Northampton. To his experienced eye, business was quiet, not to say dull. He strolled into the Exchange Bank and presented his credentials to Charlie Walters, the cashier.

"Business apparently could be better," commented the stranger.

"Of course, there is always room for improvement," replied Charlie, "but we are doing a little more than holding our own.

"We conduct this bank on a budget and objective basis. When we set our objective for this half of the year, the prospects for our only industry were exceedingly bright, so I naturally thought we would get our share of this anticipated prosperity and the objectives were set accordingly. 'I am not a prophet nor the son of a prophet,' as a distinguished Nova Scotian statesman said some years ago, for I did not know that a ruler in a Far Eastern country was to die within a few months and cause a depression in our industry, but this did happen and it looked as if our earlier expectations would not be realized. We knew that some important development work would be started in a year or so, but it would be a considerable time before we would benefit to any extent. So I got busy to see what could be done. It occurred to me that scores of our customers were only making use of one or two of our departments while there were several that should be used. Take for instance a savings customer with a fair balance. It is reasonable to assume that such a person must have valuable papers and consequently needs a safety deposit box. We made a list of clients who should have safety deposit boxes and tactfully approached them on their next visit. In a short time all our boxes were rented and an additional nest had to be installed.

Build Money Order Business

"Our money order business next received our attention. True we were doing quite well, but couldn't we do better? We enlisted the aid of several customers whose places of business did not overlap and appointed them our agents to sell money orders. We arranged with several of the large firms in the town to make use of our money orders when making small remittances. Needless to say we were more than ever alert to make sales over the counter. At the end of the first month we had exceeded our original objective.

"We encourage our customers to make use of our collection facilities. Not only for out of town business but for local accounts as well. Any bills which require special attention are charged at a higher rate, subject, of course, to the consent of our client. No effort is spared to increase our deposit business, not only in the number of accounts but in the size of balances carried. Unremunerative accounts are charged a monthly fee. Practically all approached see the fairness of this. The facilities of our bond department are now well known throughout the district. We have a selected list of securities to offer our clients when they are interested. As we know of their holdings we are often able to arrange a switch which is always mutually advantageous. We also specialize in foreign remittances and funds for travelers. All of our other departments receive just as careful attention and we are reaping the reward of our efforts and at the same time being of a greater service to the community. The old saying, 'A dollar saved is a dollar earned,' is just as true to-day as when it was first uttered. We aim to keep our expenses at the lowest figure consistent with our business and each expenditure is carefully watched. All are encouraged to exercise strict economy. Wherever it is possible, out of pocket expenses incurred on behalf of customers are collected and precautions are taken to see that nothing is overlooked."

"Well! Well!" exclaimed the visitor, "I am certainly indebted to you for this information. Our board discussed installing a budget and objective system, but frankly I was skeptical and now the idea is sold to me. We shall have such a system installed on my return. I can now understand how such a system puts a man on his mettle to do his level best to reach his goal. I believe it is the duty of a banker to suggest such a system to his commercial customers which could be followed to great advantage by all. The ideal time to suggest this would appear to be when their financial statements were being discussed."

Combination Residence Policies Cover All

Combination residence policies provide now as complete a form of protection as it is possible to secure under one contract for a private residence. Practically every hazard usual to residences, with the exception of fire insurance, is covered. A brief resumé of the usual combination residence policy shows the following protections:

1. Burglary, theft and larceny.
2. Personal hold-up.
3. Damage by water or explosion caused by accidental discharge of water or steam from or explosion of heating, plumbing, lighting, or cooking apparatus or fixtures or by leakage or influx of water or snow directly from roofs, leaders, spouts or open or broken windows or by seepage of water through building walls.
4. Replacement of all fixed glass.
5. Public and employer's liability that protects the assured against claims for damage for personal injuries sustained by servants, guests or the general public.
6. Loss of use of the residence should it be rendered uninhabitable as a result of fire, lightning, water damage or explosion.
7. Tornado and tornado loss of use.

CPTG

A Custodian Account

SECURES the maximum care for your investments. Interest and dividends are collected and remitted; principal maturities reinvested as you direct and a detailed statement furnished you periodically showing all income and principal received, with the necessary income tax advice.

Can you afford to be burdened with the detail of caring for your securities when we are equipped to furnish custodianship service at the reasonable charges which we make for such service?

Confer with our Trust Department for information.

THE CANADA PERMANENT TRUST CO
Paid-up Capital One Million Dollars
Toronto Street, Toronto.

Manager, Ontario Branch - A. E. HESSIN

Canada Northern Power Ploughs Back Earnings

From Our Own Correspondent.

MONTREAL.—At the annual meeting of the Canada Northern Power Corporation, A. J. Nesbitt, the president, said that the surplus of the company is being ploughed back into various extensions to the property which have been planned.

These include doubling the capacity of the Quinze power plant, bringing the development there up to 40,000 h.p. capacity. This work will take about a year to complete and will entail doubling the size of the power house. The total cost will be nearly $1,750,000.

The inter-connection of the various plants is being completed; the line linking the Great Northern plant with Kirkland Lake will be completed in three weeks, at which time 3,000 additional horsepower will be available in that area.

Rewiring of the old No. 1 transmission line from Cobalt to Kirkland Lake is to be finished next week. The heavier wire being strung will increase the carrying capacity of power from Cobalt by 3,000 to 4,000 horsepower.

From Boucher, near the Alderson-MacKay Mine, to the interprovincial boundary at Cheminis, all the right-of-way has been cleared, the poles and all equipment distributed. On the Ontario side all the heavier material has been distributed along the Nipissing Central Railway from Kirkland to Cheminis.

As Quinze power is 25 cycle and the electrical equipment of Kirkland Lake 60 cycles, a change in the frequency will be made with a changer, which will be installed at Kirkland Lake.

The new dam at the Hound Chutes plant of the Northern Ontario Light and Power has been completed.

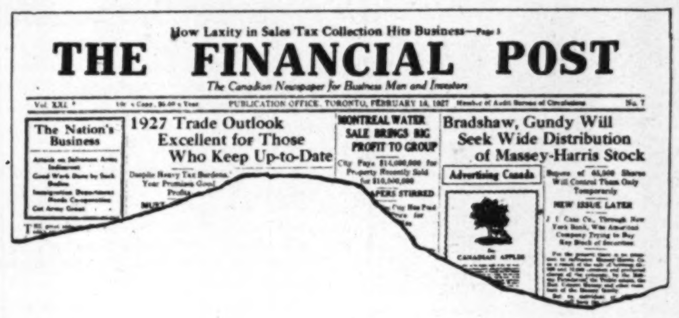
INSURANCE TRUST

Insuranshares Corp. Name of Investment Trust in Insurance Field

The formation of a new type of investment trust in the United States, will give insurance investors an opportunity to invest in the shares of the leading insurance companies. The corporation is called "Insuranshares Corp.," and is an investment trust purchasing shares of diversified insurance companies such as life, casualty, fire, surety and marine. The certificates represent a primary participating interest in the stocks of these companies. The advantages of the plan are similar to those incorporated in the average investment trust, the chief value being greater diversification than the average investor can obtain. The plan is in a sense "an investment trust within an investment trust" as insurance companies themselves partake of the nature of investment trusts with their accumulated surpluses represented by holdings in diversified stocks and bonds. Each certificate in the new corporation represents a pro-rata share in a specified group of companies whose stock forms the trust.

CANADIAN LIFE INSURANCE

Canadian purchases of ordinary life insurance during the month of March are 6 per cent. ahead of the corresponding period of last year, according to figures just issued by the Life Insurance Sales Research Bureau of Hartford, Connecticut. Companies having in force 84 per cent. of the total outstanding business in Canada paid for $42,883,000 of new business this month. This represents an increase of $2,400,000 over last March.



How Laxity in Sales Tax Collection Hits Business—Page 3

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

The Nation's Business

1927 Trade Outlook Excellent for Those Who Keep Up-to-Date

MONTREAL WATER SALE BRINGS BIG PROFIT TO GROUP

Bradshaw, Gundy Will Seek Wide Distribution of Massey-Harris Stock

Advertising Canada

NEW ISSUE LATER

The most quoted Paper in Canada

The Financial Post is the most quoted publication in Canada.

Weekly there are dozens of editorial references in Canadian and foreign papers to The Financial Post — its editorial views and its exclusive news. Often there will be as many as fifty quotations made of a single article in The Financial Post — direct quotations with full credit to the paper.

The Financial Post is as much an editor's paper, a newspaperman's paper as a business man's paper. This fact is significant in more ways than one.

It shows the influence of The Financial Post. It shows the power behind each individual advertisement in The Financial Post.

Reaching Canada's Largest Class Audience

The Audit Bureau of Circulations is an independent organization formed to give advertisers full information about publications. All established publications that seek to make clear their position to advertisers are members of the Audit Bureau of Circulations.

THE FINANCIAL POST alone among Canadian Financial Publications is a member of the A. B. C.

THE POST'S paid audited circulation is greater than the claimed circulation of any other Canadian Financial Publication.

THE FINANCIAL POST leads in quantity circulation.

THE FINANCIAL POST leads in quality circulation.

THE FINANCIAL POST leads in influence.

Clipping services have proved THE POST the most quoted paper in Canada.

If you have a product to sell Canadian industrial leaders, THE FINANCIAL POST advertising columns offer you the best means of reaching those who need what you offer.

If you have securities to sell, THE FINANCIAL POST gives a circulation including all the worth-while Investment Houses, Banks and Institutional Investors—also THE FINANCIAL POST goes to an army of individual investors, indeed every FINANCIAL POST reader is an investor—in many cases an investor first for his firm's reserve funds, second for himself.

If you have an idea to disseminate, THE FINANCIAL POST offers you the attention of the men of influence in each Canadian Province.

It is among other things a Newspaperman's paper.

If you have high class products or services to sell for the home, THE FINANCIAL POST gives you an opportunity to get right into the home to speak of your goods or service. It takes your message to the one who has power to buy when the desire is aroused.

Almost twelve thousand copies of THE FINANCIAL POST are printed weekly. This is, for Canada, a huge class circulation. It gives you a medium through which you may take your message to the men of large affairs and large influence. It gives you a chance to speak impressively to them about their business interests and about their homes and pleasures.

Buy Buying Power
through
THE FINANCIAL POST

143 University Ave.
TORONTO

Southam Bldg.
MONTREAL

POOL FACES TEST IN WANTING NEW FIVE-YEAR TERM

Privy Council May Review Question of Terminal Designation

By G. C. PORTER,
Special to The Financial Post.

WINNIPEG. — With the western provinces preparing to send their delegates to the World Wheat Pool conference at Kansas City, May 5, renewed interest in co-operative marketing on the prairies is developing. Henry Wise Wood, the most outstanding factor in co-operative marketing in Canada, will be at Kansas City. He says frankly there is no idea of having a pool for all the wheat grown in the world. All he hopes for is some kind of an agreement among wheat-producing countries that will make for orderly marketing of their grain products.

Just at present the Consolidated Wheat Pool of the prairies is in the zenith of power. It has a membership of approximately 138,000 members and contracts covering some sixty per cent. of all wheat acreage in the west.

Brings Solidarity to West

Not only do the pool supporters think they have somewhat improved the level of prices, which is denied by representatives of the private marketing system, but they claim the psychological phase of the industry as applied to agrarian interests on the prairies is most important. From this angle alone it is claimed by the pool supporters the idea of co-operative marketing is justified. On this ground it is not denied by those with whom the pool is competing. It has unquestionably resulted in a feeling of solidarity in Western Canada among the farmers. If the organization has increased the level of prices it is an economic puzzle as to how it was done. The field crops of Western Canada last year produced a revenue of $647,282,000. There were 386,440,000 bushels of wheat yielded by 21,896,771 acres.

But the important fact is that four-fifths of this production was marketed overseas. World prices determined what the Canadian farmer received for his surplus exports. The pool management is an economical organization but it does not have to pay its members a profit. They merely get the average market price of the year for their products. The private marketing system has one hundred million dollars invested in plants and machinery, from the country elevator to the terminals and overseas agents. They put the facilities for marketing in reach of the western farmers. They own four thousand of the five thousand country elevators. They are, it is claimed by the industry, entitled to serious consideration.

Responsible For Weights

Just now there is much uncertainty among those with their millions invested in the grain marketing business in the west. The amendment to the Canada Grain Act is the cause. The private country elevators must, under this amendment, not only receive any pool grain offered but must deliver it to the terminal indicated by the owner and be responsible for weights on delivery.

This is the most vital departure in the history of the grain marketing industry. Justice Turgeon, chairman of the Royal Grain commission in his report, favored this scheme but the Board of Grain Commissioners is on record as recommending to the contrary. The private concerns claim that the pool victory is the result of injecting politics into a business institution that has required twenty-five years to construct on the prairies. They assert that they are, if this law is enforcible, at the mercy of their competitors—the Consolidated Wheat Pool. And it would look very much that way.

Before the new amendment is workable it may have to be passed upon by the Privy council. The trade points out that; the law requires elevator owners to receive any and all grain offered, but the new clause goes further. It makes the elevator company responsible for delivering to whatever terminal the owner prefers and the private company has no representative present when the grain is ultimately weighed. All this is done by the competitives of the private dealers by the pool.

May Reach Privy Council

Not until the fall shipments are being offered will another chapter be written in this angle of the case. Then if the private dealers refuse to accept pool grain, unless this new phase is waived, it will get into the courts and ultimately reach the privy council.

For three years the private organizations have been supplying all the market facilities for the pool, their aggressive competitor. Pool managers frankly admit that they are out to have every bushel of wheat produced in Canada marketed through pool machinery. If this is accomplished the hundred million investment of the private marketing companies is destroyed. This is inevitable. It is a question, however, for higher courts to decide if this process is equitable.

The associations incident to pool promotion have undeniably improved the feeling among western farmers. The biggest economic adventure in Canadian agrarian history is now reaching colossal proportions. They are becoming more aggressive as their success progresses. It is admittedly a question whether the two systems of marketing can much longer continue to exist side by side.

Closely Allied to Politics

The pool propaganda connects very closely with the political forces. The agrarian interests to say the least, are being protected at Ottawa and in the three western provinces. It is the use of the political big stick that the private grain interests are unable to combat. Grain handling has been the source of considerable profit in other years. The private organizations have reaped rich rewards but if they are now to practically lose their capital investments, all their capital and their profits, which have chiefly gone back into the marketing machinery, all will be worthless. It is one of the biggest problems in the west today and the economic forces on both sides realize it.

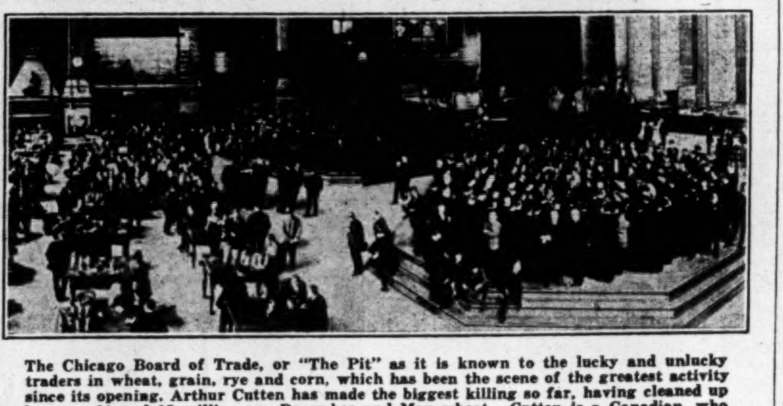
The pool controls a thousand country elevators and from the sinking fund is building or acquiring more annually. It has a terminal at Fort William, at Buffalo, at Vancouver, and Prince Rupert, and agents in the United Kingdom and most large ports of the world. They are in the picture to stay, apparently and the members are satisfied with the results.

Copy Canadian Pool

So outstanding is the experiment in co-operative marketing as demonstrated by Western Canada, that a dozen exporting countries are sending delegates to the Kansas City conference. They are threatening to copy Canadian pool methods, their orderly marketing system.

It is admitted that this fall may bring the crucial test of pool methods for new contracts must be signed—five year contracts with the old members and new. If those who have participated in the pool previously, again enter into exclusive contracts to deliver all the wheat they produce for the next five years to the organization, it will be the vital proof. Old marketing system sympathizers claim this will not be done, while pool managers insist the idea will not only hold the old members but recruit many new ones, and there you are.

Where Canadian Cleaned Up $15,000,000



The Chicago Board of Trade, or "The Pit" as it is known to the lucky and unlucky traders in wheat, grain, rye and corn, which has been the scene of the greatest activity since its opening. Arthur Cutten has made the biggest killing so far, having cleaned up between 10 and 15 millions on December and May wheat. Cutten is a Canadian, who hailed from Guelph, Ontario.

Technical Staff For Bennett Mine Operation

Bennet Mining Co., Sesikinika, has appointed Joseph C. Houston, consulting engineer and J. M. Dunlop, mining manager and resident engineer. Mr. Dunlop was at one time on the Hattie and of late on the Cobalt contact.

Say Hiram Walker Bank Loans Have Had Big Reduction

Rising quotations on Hiram Walker shares are the result of reports that the company has succeeded in reducing materially its bank loans, which were $4,000,000 at the time the company was recapitalized by the interest associated with Gooderham & Worts after the purchase from Americans

Another factor in the continued strength of this issue is that the customs inquiry, now sitting at Windsor, apparently is not concerned with the distillery directly. While it is no secret that the liquor which is exported from the border district in large quantities comes from the Walker distillery, the company and its predecessor apparently have kept clear of the business beyond the doors of the distillery itself.

WESTINGHOUSE MELON IS THE SECOND ONE IN TEN YEARS

(Continued from page 1)

a stock dividend is not income and therefore is not taxable. In Canada, however, the income-tax regulations hold that stock dividends are income, so that it is more convenient for shareholders to receive cash than certificates.

It has been known for some time that the company was planning a programme of expansion of its works at Hamilton. A warehouse recently was acquired at Toronto.

The balance sheet of Canadian Westinghouse Co. as at December 31, 1927, showed cash and government bonds to the amount of $3,109,522 and it is known that 1927 earnings have been at a rapid rate, with credit conditions steadily improving. Thus the cash payment of $2,229,870 will leave a substantial amount of cash in the company's treasury.

Is an Extra

With the payment of 30 per cent. coming on June 20, with the regular payment of 2½ per cent. due July 1, the 30 per cent. is in addition to the usual payment for the second quarter.

This is the second occasion on which Canadian Westinghouse shareholders will have received an extra cash disbursement. On March 1, 1917, 25 per cent. was distributed out of the accumulated profits for twelve years. It will be noted that 5 per cent. more is now to be paid after only ten years. Moreover, in 1917, the capitalization of the company was $6,229,400, compared with $7,432,900 at this time.

FOREIGN EXCHANGES

Italian Lire Now Dominates 'Change

Conducted by JOHN E. LANGDON.

New York funds moved within a small radius during the week. Commercial demand has not changed to any great extent, but as soon as lake shipping gets into full swing, it is expected that there will be heavier demands by American importers for Canadian currency in order to meet commitments.

Movement of the Italian lire in the past few days has been very hectic, conflicting reports causing a wave of buying and selling which resulted in a new high rate. On Tuesday last heavy liquidation was the order of the day, but before the movement got out of control, receipt of a large buying order from abroad forced the shorts to cover and the rate advanced .024¼ over Wednesday of last week.

Italian importers have been much concerned over speculation in the lire, heavy losses being experienced by many of the larger houses. The Italian Chamber of Commerce has taken the matter up officially in an endeavor to regulate exchange. The Government is said to be against wild fluctuation in the currency and an official said that a more orderly rate was desirable and that steps would be taken to see that this desire was enforced.

Japanese yen has been quiet during the week, the Imperial government's intention of further supporting the banking institutions with substantial loans, has had the effect of toning down the serious situation which arose over the closing of a number of banks.

Sterling exchange has been holding up well. The spread of ½ per cent. in the discount rate between New York and London, in favor of the latter city, is regarded with favor. New York is interested in keeping a policy that will be favorable to the sterling and that in the interest of the pound it is felt that there should be a spread. As a result, it is thought that New York banks will be more cautious than ever about bank rate revision, as any change is likely to upset business opinion, while no change at all it is felt will give steadiness to sentiment.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
	(Discount)		(Discount)	
April 21	7-64	1-8	5-32	11-64
April 22	1-8	9-64	11-64	11-64
April 23	9-64	9-64	11-64	11-64
April 25	9-64	11-64	11-64	11-64
April 26	11-64	3-16	11-64	3-16
April 27	11-64	3-16	3-16	7-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
April 21	4.85⅛	3.91½	5.17
April 22	4.85 5/16	3.91 9/16	5.25½
April 23	4.85¼	3.91 9/16	5.27¾
April 25	4.85 5/16	3.91½	5.36½
April 26	4.85⅜	3.91⅝	5.32½
April 27	4.85 13/32	3.91⅝	5.35½

FOREIGN EXCHANGE

Par		April 20	April 27
19.30	Italian	5.08	5.36
32.45	Brazilian	11.81	11.81
23.82	German	23.68	23.67
19.30	Belgian	2.78	2.78
84.85	Japan	48.65	47.45

Trail Ore Receipts

Ore receipts at Trail Smelter from 8th April to 14th April, 1927, inclusive, and from 1st January, 1927, to date, in tons:

Company's mines	6,179	125,179
Other mines	2,447	49,661
	8,626	174,840

WILL MAKE MOVIES ON PACIFIC COAST

New Organization Plans to Establish Big Studio at Vancouver to Make British Films

From Our Own Correspondent.

VANCOUVER. — Great Britain's new quota law applying to the importation of motion pictures has resulted in a project backed by Lord Beaverbrook and Lord Kindersley to produce pictures in British Columbia on a big scale.

Although several moving picture ventures have started in British Columbia during the past few years with indifferent success, it would appear as though the organization of Canadian National Cinema Studios will be a substantial and permanent institution, strong enough to provide strong competition with Hollywood producers.

Nils Olaf Chrisander, former director-general of the U.F.A. studio in Berlin, and a leader in post-war Germany's successful battle for European film supremacy, will be in charge of the new studios in Vancouver. According to Jack Andrew Anderson, noted Canadian explorer and mining engineer, who is now in Hollywood in connection with the enterprise, $5,000,000 will be turned over to Chrisander as a working fund to start production.

The move is a direct outgrowth of British legislation for fostering British-made pictures. The new quota law, which provides for 7½ per cent. of films exhibited in Great Britain being of British origin, assures a market for the Vancouver product. Pictures can be made here as cheaply as in Hollywood, according to those in charge of the organization of Canadian National Cinema Studios.

"The closeness of Vancouver to Hollywood," says Chrisander, "makes it possible to fight the most powerful competitor with its own ammunition. In this I refer to the use of stars who have a proved box office value. Stars of this character, many of them of British nationality, can be brought to Vancouver to work in pictures, and their presence in a film, in a way, is a guarantee of financial success.

"Britain must be accurately and fairly represented on the screen. It means much to a nation's prestige, and the only way of accomplishing this object is to produce the pictures within the British Empire under British direction."

As Others See Us

Arousing Socialist Agitation

Edmonton Journal. — Discussing the deal for the purchase of the Montreal water system by the city, The Financial Post has something to say to which too close attention cannot be paid. It insists that "those who deal with public bodies, or even with the general public, have much to gain from considering themselves as public trustees and from seeking only a fair return on their investments and speculations." Those who put this transaction through gave too much thought to the immediate gain and too little thought to the good-will of the public. To disregard the latter is to pursue an exceedingly dangerous policy with all the agitation that has arisen for the extension of socialistic principles.

Disseminated Copper in Andean Mines Group

Development work on Andean properties, Quebec, have been meeting with good success, two excellent surface showings having been opened up. Results obtained are encouraging and a crew of men is at work on the properties. Samples of ore sent out show that it is of a disseminated nature in a rhyolitic formation.

Andean properties are almost entirely surrounded by Coniagas, Consolidated Mining & Smelting, Stadacona and Victoria Syndicate.

DIVIDEND NUMBER 162

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 20th day of May, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 4th day of May, 1927.

Dated the 27th day of April, 1927.

I. McIVOR,
Assistant-Treasurer.

PROVINCE OF QUEBEC

$4,000,000, 5½% Bonds, due 1st December, 1936.

NOTICE OF REDEMPTION

NOTICE is hereby given that the PROVINCE OF QUEBEC has elected to exercise its option to redeem, and that it will redeem, on the first day of June, 1927, all of the $4,000,000 5½% Province of Quebec Bonds, issued under the authority of 10 George V, Chapter 3, and dated 1st December, 1921, to mature 1st December, 1936, but subject to redemption at any time after five years from date of issue, at par and accrued interest, and that, on the first day of June, 1927, there will become and be due and payable upon each of the bonds aforesaid, at any of the places at which the same are expressed to be payable, 100% of the principal amount thereof, together with accrued interest, and that from and after such date interest thereon will cease to accrue and all coupons for interest maturing after such date shall be null and void.

On presentation and surrender of the aforesaid bonds in accordance with this notice, at the offices of the Bank of Montreal in Quebec, Montreal or Toronto, with all appurtenant coupons maturing after such redemption date, the bonds shall be paid at the redemption price aforesaid.

Such payment of the sum payable for the principal on each bond, upon redemption thereof, shall be made to the bearer of such bond unless it shall then be registered, in which case such payment shall be made to the registered owner.

(Sgd.) JACOB NICOL,
Provincial Treasurer.

Quebec, 14th April, 1927.

Dollar Volume of March Business Increased 12 P.C.

Dollar volume of business in Canada during March, as indicated by bank debits, increased 12.5 per cent. over the same month a year ago. This bears out reports on industrial and manufacturing activity, which are estimated to be about 10 per cent. greater than at the same time last year. Increases were mainly restricted to Quebec and Ontario, although four or five centres in the Prairie Provinces also showed substantial gains.

After correction for seasonal tendencies, according to the experience with bank clearings in a twelve-year period, Winnipeg showed in March the remarkable increase of 56 per cent. over February, while Vancouver had a moderate advance of 7 per cent. The actual increase at Toronto was more than counterbalanced by the correction for seasonal tendencies, and the adjusted debits of Montreal were practically maintained.

Mowat and MacGillivray Branch

MONTREAL.—The Ottawa stock exchange house of Mowat and MacGillivray has again extended the sphere of its activities by opening a fourth branch office at Pembroke, Ontario. The new branch will be under the management of C. B. Ferguson, who has had a wide experience in Northern Ontario and knows the mining fields intimately.

The new branch will be connected by direct wire with Ottawa. The other three branches of the firm are located at Belleville, Brockville and Cornwall.

FOR SALE
Rolls Royce, 1911, five passenger sports touring car, new cylinders, rear and front windshield, spare wheel and tire, body finished in Duco, new top and side curtains.
Box 25 The Financial Post, Toronto, Canada

The Royal Bank of Canada

DIVIDEND No. 159

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of June next, to shareholders of record at the close of business on the [illegible] day of April.

By order of the Board,
C. E. NEILL,
General Manager.

Montreal, Que., April 19, 1927.

For Sale
Willys-Knight seven-passenger sedan, Model 66-6. Engine and paint in perfect condition.
Box 27
FINANCIAL POST
153 University Ave.,
Toronto, Ont.

THE CANADIAN BANK OF COMMERCE

Dividend No. 161

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1927, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st June next.

The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board,
S. H. LOGAN,
General Manager.

Toronto, 14th April, 1927.

WAYAGAMACK PULP & PAPER COMPANY LIMITED

Dividend No. 9

Notice is hereby given that a Dividend of Seventy-five cents (75c) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending May 31st, 1927, payable June 1, 1927, to Shareholders of record at the close of business on May 16, 1927.

By order of the Board,
D. L. ADAMS,
Secretary-Treasurer.

Montreal, Que., April 21, 1927.

CLEAN SOUND
Kennedy's specialize in castings supplied in all shapes, sizes and quantities. Made to your own patterns. Prompt delivery. Fair prices.
Kennedy Castings
The Wm. KENNEDY & Sons Limited
OWEN SOUND, ONTARIO.
Representatives at:
COBALT, TORONTO, MONTREAL, HALIFAX, WINNIPEG, AND VANCOUVER.

Background and what it means in Leadership

ANNOUNCEMENT that Hon. James Malcolm, Minister of Trade and Commerce, will spend $150,000 to promote the sale of Canadian products abroad is a triumph for The Financial Post.

This policy has been advocated by The Post for some months; not only that, definite facts as to what Australia and other countries have done have been given and specific suggestions for Canada have been made.

Advocacy of this policy by The Post was a direct result of the visit of Horace T. Hunter, vice-president of The Financial Post, to London to observe the Imperial Conference.

The Financial Post aims always to give Canadian business and finance real leadership and takes every means to qualify itself for such leadership. One of these means is attendance at all the leading gatherings throughout the world where problems of interest to Canadian business are discussed.

The Imperial Conference was covered. The World Economic Conference at Geneva is being covered. Lt.-Col. J. B. Maclean, president of The Financial Post, will be there, and Dr. Adam Shortt will write articles on the conference.

Next week in Washington, American business leaders meet to discuss "The New Era in Business" and the problems that have arisen. Coolidge, Hoover and such men will meet there. The Financial Post will give its readers the benefit of their deliberations and conclusions. Floyd S. Chalmers, managing editor of The Financial Post, will attend this big Washington business conference.

In more restricted fields The Post is continually watching what is going on. For instance, next week will see the Dominion Fire Prevention Association in convention at Ottawa. Fire prevention is a problem of national importance. Ways of combatting fire loss interest every business man. And so The Post will sit in on this conference. John E. Langdon, business editor, will be there.

Observe this: The Financial Post does not attend these conferences to report them. What its editors seek is background and knowledge of broad fundamental movements in order that they may serve you better. It is the background so gained that makes the weekly issues of The Post so vital, so well attuned to the real problems of the day and so valuable to you.

The Financial Post

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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May Spend $20,000,000 on Sudbury-Chelmsford Mine Development, 1927

Nickel Smelter and Bunker Hill Operation Assumes Large Importance

WILL NEED POWER

Tremendous Large Industry is Bound to Grow from Development Under Way

Expansion of the mining industry in Sudbury nickel-copper area and Chelmsford lead-zinc section, will likely result in the expenditure of between $15,000,000 and $20,000,000 this year.

International Nickel has made the important announcement that it will erect a large electrolytic copper smelter and refinery. This follows the development of the Frood Mine into an important copper deposit at depth. In addition to the copper plant, which will likely cost several millions, there will be heavy expenditures on the development of the mine which is to be opened up to 2,000 ft.

Await News of Plans

News of the plans of the Bunker Hill Sullivan people on what has come to be referred to as the Errington Mine at Chelmsford, will be awaited with interest. The mine is being opened out under ground now, following up an electrical survey and diamond drilling. By the end of this year it is expected that the mine will be in such shape as to allow for the launching of mill construction. Judging from the plant which Consolidated Smelters has developed in the handling of its lead-zinc ores, the Bunker Hill expenditure will likely run above $10,000,000. They will require a concentrator, a refinery for treating the concentrates and then the tank rooms for refining. The Smelters plant at Tadanac takes in the best part of 250 acres.

Several Other Prospects

In addition to the Bunker Hill property, there are several others in the district that seem earmarked with the same geological conditions and which may develop into mines. It is doubtful if another plant would be erected, and this may explain the plan of Hon. Chas. McCrea, minister of mines, to have a customs smelter established in the Sudbury district. Whether he will approach International Nickel or Bunker Hill or both, to have them make provision for custom ores, is not as yet known. Lead-zinc ores from other Chelmsford properties could be treated close at hand and there are good chances of similar mines near the Soo. Nickel could draw from Munro, Boston Creek and Kamiskotia.

From these two important mining developments, there is also bound to be a large hydro electric development as both Bunker Hill's plant and the new nickel smelter will require a large amount of electric power.

Millcrest in Gowganda Will Resume Operations

It is understood that an attractive deal has been made to finance Millcrest property in Gowganda and by June 1st operations should again be under way. Details of the new financing are not yet available. Millcrest has two blocks of ground in the vicinity of Castle in the Gowganda Keewatin diabase bowl and is regarded as having an excellent chance to make a mine.

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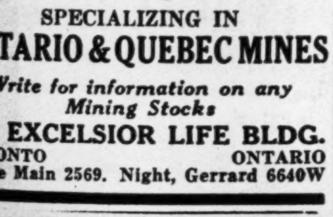
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Noranda Orders Its Concentrator Steel

Noranda's smelter is moving ahead rapidly, and the main part of the structure is about complete.

Now comes the news that Noranda has placed an order for 3,000 tons of structural steel. This is evidently for a concentrator.

It is evident that the plant will be a large one, as the steel order for the 1,000 ton smelter was only 4,000 tons.

HIGH EFFICIENCY CUT 1926 COPPER PRODUCTION COSTS

On Less Than 2% Copper Big U.S. Producers Show Big Profits Jump

With Eastern Canada rapidly approaching the time when it will launch copper production on a large scale, the fact that the large U.S. producers are showing a much improved position is of interest. Increased efficiency seems to be the reason, for though production was materially higher it did not show near the percentage of increase that profits did, and this despite a lower copper price. Lower costs per pound of copper, is the story, and explains why dividends were generally higher. According to Engineering and Mining Journal, copper stood well under 14 cents at the refineries during 1926.

Utah copper with 234,000,000 lbs. output and Nevada Consolidated 231,000,000 lbs. were the leading producers. Utah in 1925 produced 214,162,139 and about the same in 1924, and Nevada 73,653,886 in 1925 and 70,237,000 in 1924.

Utah's increase was 9 per cent., but profits were up 14 per cent., costs dropping from 8.43c. to 7.94c.

Nevada's increase in production was 7 per cent., profits 24 per cent. and costs were down from 11.10c. to 10.53c.

Calumet and Arizona and New Cornelia doubled their net income in 1926 with but slightly higher output and Magma increased production 8 per cent. and net profits 26 per cent. Miami cut costs 11.23c. to 10.62c.

These facts make 1926 stand out as one of prominent progress for the technical men of the industry. Improved mining and processes have brought this about. It is stated that some plants have been completely made over in the last couple of years. This is just what Consolidated Smelters is doing to its copper smelter at the moment. The old double sinker system is giving way to reverberatories. Research has played a very important part and has resulted in useless low grade mines being turned into profitable producers.

The grade of copper being produced by these mines is of interest because of the high grade of the Ontario and Quebec bodies. Utah in 1925 mixed 1.02 per cent. grade. Nevada Consolidated 1.21 per cent. Average grade shipped to Calumet and Arizona Smelter 4.84 per cent.

Died Just When His Dream Nears Reality

Emil F. Voigt, for whom Voigt's Camp near Copper Mountain, B. C., was named, died recently at Princeton, too soon to see the results of development now being undertaken by the Consolidated on the extensive claims he had held for 25 years. His exact age is unknown, as his wife died two years ago, and their only son passed away in 1915. He will be buried beside them in the private plot at Voigt's Camp, which had been their home since about 1902. He came to Princeton in 1899 and had spent several years before that in the Kootenays.

Mr. Brigstocke Returns

R. M. Brigstocke, M. E., has moved his office to Trusts and Guarantee Bldg., Bay St., Toronto. He has just returned from an extended trip to British Columbia, where he went in the interests of clients.

Mining Property Wanted

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POTTERDOAL ORE SHIPMENTS SHOW $47.09 AVERAGE

Copper Content Over 15% With High-Zinc Values as Well

SHIPPED CARLOAD

Electrical Survey Now Being Conducted and Results Are Expected Soon

	%	Price	Value
Copper	15.22	13c	$39.57
Silver (oz.)	2.70	56c	1.51
Gold	0.045	20.67	93
Zinc	4.15	6.12	5.08
			$47.09

The above values are figured on the returns received by Potterdoal Mines on the carload of unsorted ore shipped to United States Metals Refining Co., Chrome, N.J. The refinery did not treat the ore for zinc and the latter content is taken from an analysis of a sample of the shipment made by Ledoux & Co., New York.

The refinery made its settlement on the following basis:

Copper	15.22 per cent.
Silver, per ton of 2,000 lbs.	2.70 ozs.
Gold, per ton of 2,000 lbs.	0.045 ozs.

Ledoux and Co. analysis of the ore was as follows:

Silica	6.38%
Sulphur	33.64%
Copper	15.23%
Arsenic	0.10%
Zinc	4.15%
Iron	37.60%
Nickel & Cobalt	0.31%
Silver (Per ton of 2,000 lbs.)	2.50 ozs.
Gold (Per ton of 2,000 lbs.)	0.06 ozs.

Platinum, lead, antimony, aluminum, magnesium or lime—None.

It is officially announced that the property has been surveyed out into 200 foot squares. These lines will be used for a magnetic survey, electrical prospecting, and final mapping and prospecting. A magnetic survey has already been completed to the eastern boundary of the property of the Warden Mines Limited, and has outlined a magnetic zone from the original showing on the Potterdoal property to the eastern boundary of the Warden property. The general trend of the magnetic indications is about north 75 degrees west.

The electrical survey by the Swedish American Prospecting Corporation is now being carried out, and it is expected that preliminary results will be available within the next few days.

BETTER MINE SHARES IN STEADY DEMAND

Nickel and Central Manitoba Were Leaders During Past Week

There were two outstanding issues in the mining shares during the week, International Nickel and Central Manitoba. Both reached new high marks. Both are moving up on sound development, but it may be that the rise in Nickel may be a little premature as the development which it was discounting will take a long while to work out. Of course there has been considerable talk of a higher dividend on the common shares and this may have played a part in the buying.

Central Manitoba almost reached $1.50. News that a start has been made on the mill evidently inspired the buying.

Nipissing was weak, the rather discouraging report and annual meeting giving the bears a chance to break the shares down still further. In well informed circles, it was felt that the Nipissing report was just as bad as it could be. They point to the heavy accumulation of the shares that has been going on as an evidence that in some circles there is still considerable confidence in the venture.

The small Quebec issues continue off color. The large Ontario producers show consistent strength. There is a steady accumulation of these shares going on and this always insures a good market. McIntyre is being boosted by many, as the first of the big ones that should show a material enhancement in value. They base this on the belief that McIntyre's new lateral work will start to put ore in sight at a remarkable rate. It is known that McIntyre has a great deal of dead work done on some of the new levels.

B.C. Mining Stocks

Special wire to The Financial Post.

Vancouver.—Quotations of British Columbia mine shares to Wednesday night (April 27) were:

Coast Copper—sold 13¼; closed 13½.
Lucky Jim—closed 19½ to 21½.
Premier Gold—sold 2.10; closed 2.09 to 2.12.
British Petroleum—sold 14¼; closed 14½ to 15½.

NEW WINNIPEG BROKERS

Campbell and Merrill is the name of a new Winnipeg brokerage house that proposes to deal in sound mining stocks. They are located in the MacArthur Bldg.

Whitney Interests May Soon Take Up Option on Flin Flon

Pilot Mill Tests Show Better Results Than Laboratory on New Process

AREA LOOKING WELL

Deal on for Gordon Option and Large Group Surrounding Flin Flon

Manitoba is soon to join the ranks of the base metal producing provinces, as the tests, now being made at Flin Flon property in Northern Manitoba, have been successfully carried out and the laboratory tests made in Denver, Col., verified.

The successful termination of these tests has been a great metallurgical triumph and through the success of the new treatment process, Manitoba will see the commencement of development on the largest scale in mining ever attempted in Canada for an initial venture. The Flin Flon ore body,—as developed to the 900-ft. level,—is the third largest known ore body in Canada, only taking third place along side of the Sullivan mine of Consolidated Smelters and Creighton and Frood mines of International Nickel.

The 20,000,000 tons of complex ore average $13.40 per ton and give the developed ore a value of $268,000,000. When considered from the value standpoint it is greater than the known positive ore in sight of all the gold camps in Northern Ontario, and the Quebec and Cobalt camps together. In fact the Hollinger only has $66,000,000 in ore reserves, so some comparison may be made here.

Metallurgy Solves the Problem

The metallurgy was worked out by the Complex Ore Company of Denver, of whom both Messrs. Phalen and Channing are members. The company is controlled by the Whitney interests of New York, who have the present option on the Flin Flon property. Tests have been carried on now for nearly two years, and were successfully terminated when the present flotation mill functioned as expected and the Denver tests were corroborated.

The process evolved makes it possible to work this immense property at a good profit. The zinc values alone amount to $100,000,000 or $5 per ton.

When the first option in 1916 was taken by Hayden Stone, New York, it was intended to use direct pyritic smelting and allow the zinc content to go as a loss and also when Col. W. B. Thompson, New York, and the Mining Corporation entered the field in 1919, at that time no process was known to successfully separate these ores.

$20,000,000 to Develop

With the successful solving of the treatment of these ores and the announcement by Pres. J. P. Watson, of the Mining Corporation, that this was a fact, there seems to be no obstacle now to prevent the successful carrying out of the option, and development of the mine will undoubtedly commence at an early date. However, there are details to be worked out re rail rates and some concessions which are to be asked for, and advices from The Pas say that because of this the worst side of the proposition is being presented at the present time. In other words, the Flin Flon people are making a case of it to get the best terms possible all along the line.

Some say that they had fully expected to have the field entirely to themselves, but other large interests have stepped in and the outlook now is that Northern Manitoba will not be a one mine controlled camp.

The Cunico Syndicate has been negotiating for the Sherrit Madole property for some time. Some say the deal

(Continued on page 20)

A Thought for Canada

Mining Truth, Spokane, Wash.

Ores and chemical raw materials containing $150,000,000 in gold, silver, lead, zinc, copper, nickel, asbestos and other metals or chemicals are sent out of Canada yearly to be manufactured in the United States. Twenty-five millions are spent in the Dominion producing these ores and chemicals, while American labor, business, transport and manufacture are benefited to the extent of $125,000,000 or $130,000,000.

Sir Wilfrid Laurier's government gave something like two millions in the shape of bonuses to build a big metallurgical works on the banks of the Columbia. These metallurgical works are now contributing in taxes yearly, directly and indirectly, to the Dominion government more than all the subsidies received and three-fold more in income taxes than all the farmers of Canada pay.

Old Time Prospector Lost Much Because of His Limited Knowledge

Men of Wide Range of Knowledge Necessary for Economical and Quick Work — Education System Could Aid Very Materially in This Work

By DR. W. L. and W. M. GOODWIN,

Fourth of a Series of Articles on the Prospector and Prospecting.

Men of all degrees of education and of no education have been successful in prospecting; that is, they have found mineral deposits that have made productive mines. But that does not prove anything either for or against education for the prospector. In this as in every sphere of human effort and accomplishment, the world is moving forward, times are changing, knowledge is increasing, and the waste of human energy is being eliminated by the use of the scientific method. The word science is apt to scare people unnecessarily; for science in the sense in which it is used here is just the latest, up-to-date, and best way of doing things, and of planning how to do things. The more of such science a prospector has, the better he is equipped for his work.

Restricted Outlook

The old-fashioned prospector lost a great many chances because his knowledge was so limited. He knew gold when he saw it, if he was a prospector for gold, and copper ore, etc., if that was his specialty. He also knew the associated rocks in some area where he had learned the business. And, like all people with a very restricted outlook, he tried to fit everything to his little bit of knowledge. If he found gold associated with rhyolite in Colorado, he expected to find the same association in Ontario or Quebec. Or because he was led to discoveries of copper ores in Arizona by great quantities of green and blue carbonates (malachite and azurite), he expected to find the same profuse signs in glaciated Ontario. His narrow outlook and scant knowledge worked in another way in this country. One characteristic of the vast pre-Cambrian regions of Canada is the great variety of valuable minerals to be found. A prospector who is acquainted with only a few of them may lose all sorts of chances, may walk over a white strip of barren looking stuff and dismiss it as "bull" quartz, when a man with more knowledge would try it with his knife to see if it was hard enough for quartz. If he found it to be soft, he would examine it carefully. It might turn out to be barite, celestite, both of value, or that very rare mineral cryolite, essential in the manufacture of aluminium.

Must Have the Knack

We can always make use of the uneducated man who has the natural endowments of the good prospector, but he must be directed by the man who has a pretty wide range of knowledge if the prospecting is to be done economically and quickly. But it should not be forgotten that no amount of education will make a man a good prospector or a good director of prospecting unless he has the knack. He must add education to those rather rare natural abilities.

If framers of our educational systems would only get their eyes opened to the magnificent educational material there is in the study of the rocky structure of the earth and its influence on forest and field, farming, lumbering, mining, and the very characteristics of peoples, we might have a foundation for the special education of the prospector.

Based on Long Experience

It has been the good fortune of one of the writers to have close associations with two generations of Ontario prospectors, and to be at present engaged in pointing the way into the business for a third generation. He can therefore write about the education of prospectors with the advantage of a long actual experience, extending over more than thirty years.

To prospect to advantage a man must be acquainted with all the valuable minerals likely to be found in the country in which he is prospecting. He can get this acquaintance only by actually handling the minerals; and this should be done under the guidance of an instructor. Two minerals that look very much alike may be distinguished by some difference obvious to the trained eye. Such differences must be pointed out. Or there may be a difference in weight, noticeable by careful observation. Or the two may differ in hardness, a difference easily detected by the point of a knife. There are many other simple tests easily learned and easily applied. All such things the prospector must be taught, if he is to know his way about among the minerals. But he must also know the common minerals of no value, so as to avoid mistaking them for valuable minerals.

Chances for Mistake

For example hornblende, of no value, and zincblende, the common ore of zinc, may look very much alike, but a few simple tests with a knife will easily distinguish them. The prospector who does not know how to make these tests is at a disadvantage. Once he gets a good start he can add to his knowledge by practice in the field, getting confirmation or correction from more skilled companions or from geologists that he may meet. Our Canadian geologists do a great deal of patient, pains-taking work for the prospector.

Rocks must also be learned, as they are the guide to the right places for prospecting. While it is easy to spot standard specimens of rocks, the variations in make-up and appearance are so numerous that even the most experienced geologist must often take his samples home for a careful examination in his laboratory before he can name them. We must not ask the prospector to beat the geologist at this game, but he can still learn to find his way about among the rocks, learning the make-up and appearance of the classes of rocks, and particularly how they are built into the structure of the earth and their relations to mineral deposits.

Under Engineering Guidance

To this general and particular knowledge of minerals and rocks, the prospector must be educated in the surface signs of mineral deposits. This can be done by the study of selected specimens of the minerals coated with the products formed by weathering. But instruction in the field would be a much surer way. A good deal could be done by having parties of prospectors under the direction of an engineer in the field, who could manage a good many small parties. He would always be available for consultation and for the examination of specimens collected by the prospectors. He could also inspect the area in which a party was prospecting and suggest good places. To be suited to this work the engineer must have the natural ability and experience of a good prospector.

For years the Ontario Department of Mines has carried on education work for prospectors. The province has been covered from Ottawa to Kenora, and from Cochrane to Sault Ste. Marie. In each place classes are held for eight days, and about fifteen places have been visited each winter for the last seven years. During that time most of the active prospectors of Ontario have taken advantage of the classes and many young men have been started on the road to prospecting. Some of these latter are now held to be among the best prospectors in the province.

Study Specimens

A short sketch of the methods used in these classes may be of interest. Each member of the class is given a small specimen of a mineral to examine. By means of a small printed pamphlet supplied to each, the mineral is classed and identified. If the instructor finds that a member of the class cannot read English, he encourages him to go on without the

(Continued on page 19)

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Nipissing Got All Bad Breaks in the One Year

Cobalt Mine Did Not Stand Up Well and Silver Slump Hurt

A lot of gloom is abroad about Nipissing, because of the rather poor showing of the mine during 1926. Studying the report one can easily conclude that all the bad breaks, including a severe drop in the price of silver, which came at the same time. In addition, the declaration of Pres. E. P. Earle, at the annual meeting that the dividend should be stopped, sort of capped the climax, and caused a rush to sell shares.

Net profits available for dividends were small, as will be seen from the table appended. The result is that surplus was cut into materially. There is much in favor of what Mr. Earle says about conserving cash assets, because of the promising results obtained on the Montbray property, but it is not to be expected that anything near $4,000,000 will be required, unless it developed that a costly smelter was needed, which is hardly likely with Noranda building over some 20 miles distant.

The depressing features of the year are outlined in the report as follows:

Average silver content of the ore mined was less than in the previous year, viz., 23.53 ounces per ton last year against 25.78 ounces per ton in 1925. The average official price of silver for 1926 was 62.11 cents and for the year previous 69.07 cents per ounce. The production cost per ounce was 5.62 cents greater than in 1925, due in a measure to the lower silver content per ton of ore.

The net income of the operating company was $164,310 compared with $658,384 in 1925.

The net value of shipments was $1,260,693 compared with $1,687,000 in 1925.

Silver production cost per ounce was 51.48 cents compared with a cost in 1925 of 45.86 cents.

"Nothing definite, but favorable indications have been secured on both the South Lorrain silver, and the Mountbray groups," said Pres. Earle, adding, "that it is hoped that one or both will produce gratifying results."

The decline in silver production, Hugh Park, General Manager says, was about 12 per cent. while this decline and a speeder-up exploratory campaign added to costs. He outlined the new efforts of the campaign as follows:

At South Lorrain, fairly encouraging results were obtained from the year's work. Exploration of a conglomerate area, similar geologically to the most productive part of Cobalt, disclosed nothing of value or interest. Exploration of a keewatin area, underlying the diabase sill, was attended with more success. In addition to the large cobalt vein found late in 1925, which has shown only low silver values to date, another strong vein was discovered which has been partly developed by several levels and raises over much of its length of 500 feet.

The Montbray Claims

As advised in the report for 1925, an option was taken on a group of claims in Montbray township, Quebec, where an outcrop showing values in gold and copper had been found. Surface work was carried on throughout the winter, followed later by diamond drilling. Results to date on the original discovery have been only fairly interesting. A somewhat similar deposit was later found about 1,500 feet away, but not connected with the first occurrence. This also was diamond drilled and its general outline partly determined. While some favorable assays were obtained, principally in copper, results to date on both discoveries indicate small deposits probably too low grade to be profitable in themselves. Further work was interrupted by the discovery in October of a third occurrence, about 1,000 feet from the first deposit.

A fractured zone, covered by deep overburden, has been traced for 400 feet with the ends still undetermined. Scattered surface trenches and pits show lenses of ore at several points, in vein-like occurrences, which are irregular in size and value. The greatest width so far uncovered shows nine feet of high grade copper and gold, while the average of several exposures shows three feet of 10 per cent. copper and $10.00 gold. Some sections assay considerably higher in both metals.

Diamond drilling is now determining the general features of the deposit, to be followed by underground work. Drilling results to date have shown irregularity, both as to widths and values, with general results somewhat below surface sampling. On the other hand, a number of holes have been quite satisfactory.

While some encouraging results have been obtained over comparatively narrow widths, further work is necessary before the future of the property can be predicted. Other portions of the property are now being electrically surveyed.

Nipissing Shipments to December 31, 1925

	Dry weight pounds	Gross ounces silver	Gross value, silver plus cobalt, nickel and arsenic paid for	Net value received
1904	124,659	32.13	$ 24,163.90	$ 23,887.52
1905	939,373	753,153.90	505,638.28	471,666.61
1906	4,019,494	2,214,821.60	1,576,852.94	1,421,655.54
1907	4,804,426	2,239,551.89	1,373,088.57	1,234,492.35
1908	7,009,998	2,893,031.44	1,526,686.32	1,364,478.03
1909	12,825,169	4,646,869.21	2,417,767.21	2,180,407.02
1910	13,388,039	5,596,135.80	3,008,957.80	2,742,842.58
1911	5,829,254	4,678,074.14	2,507,196.98	2,381,712.54
1912	3,701,726	4,719,578.21	2,893,276.54	2,827,317.62
1913	2,657,250	4,844,169.41	2,945,335.30	2,920,714.26
1914	868,425	3,999,862.51	2,226,429.66	2,207,427.72
1915	383,868	4,623,957.78	2,425,065.85	2,383,877.91
1916	4,275,804	3,819,768.50	2,737,569.36	2,687,530.85
1917	5,922,508	3,798,801.54	3,338,682.41	3,239,151.62
1918	4,148,760	4,116,076.70	4,238,666.53	4,165,353.98
1919	1,473,354	3,080,069.93	3,561,440.07	3,539,573.85
1920	7,386,488	2,814,852.28	2,627,937.76	2,539,250.71
1921	211,980	3,016,760.42	1,754,345.83	1,745,411.07
1922	6,036,449	3,845,011.83	2,906,102.87	2,886,719.20
1923	226,372	3,227,887.52	2,104,394.04	2,093,829.16
1924	1,401,472	2,828,287.06	1,923,171.13	1,911,218.31
1925	1,357,912	2,413,697.18	1,698,025.28	1,686,601.52
1926	1,673,998	1,966,299.62	1,270,749.51	1,260,692.96
	90,666,778	76,136,750.60	$51,591,544.14	$49,915,807.93

NIPISSING MINING CO., LTD.

	1926	1925	1924	1923	1922	1921
	$	$	$	$	$	$
Gross Production	1,854,525	2,326,114	2,116,817	2,456,506	2,692,080	2,561,636
Gross value of ore at mine and shipped	849,168	1,005,900	1,126,645	895,604	891,387	1,031,047
	2,703,693	3,332,014	3,293,462	3,352,110	3,583,467	3,592,683
Less:						
Gross value custom ore and bullion outstanding	583,776	629,491	277,891	157,415	20,066	93,406
Gross val. of inventory & custom ore	1,005,226	1,106,484	895,604	891,386	1,031,047	1,629,711
	1,589,002	1,735,975	1,173,495	998,801	1,051,113	1,723,117
Gross value of ore—Nip. product	1,114,692	1,596,038	2,119,967	2,358,309	2,532,354	1,869,566
Cost of mining and all other expenses	1,011,979	1,026,203	1,141,161	1,104,019	1,154,530	1,015,622
Less: Other income at Cobalt	13,406	11,754	24,660	29,503	27,009	114,843
Net cost of production	998,933	1,014,449	1,116,501	1,074,516	1,127,521	900,779
Net income from production	115,759	581,589	1,003,466	1,278,793	1,404,833	968,786
Add:						
Interest on bonds	117,172	127,304	149,597	94,331	93,500	93,500
Other interest	....	....	....	....	51,428	37,454
Interest on bank balance	23,529	25,550	34,526	67,064	....	....
Profit on sale of securities	888	10,592	1,253	20,419	....	....
	141,590	163,406	185,376	181,814	144,928	130,954
	257,348	745,035	1,188,842	1,460,607	1,549,760	1,099,741
Less:						
Cost of work on outside properties	93,938	86,651	54,131	62,739	64,052	130,542
Donations	....	....	18,297	....	....	....
	....	86,651	72,428	62,739	64,052	130,542
Net profit	164,310	658,384	1,116,414	1,397,868	1,485,708	969,199
Surplus January 1 each year	4,404,618	4,501,233	4,499,819	4,216,951	3,851,242	3,817,044
	4,568,928	5,159,617	5,616,819	5,614,819	5,336,950	4,786,243
Less:						
Div. declared and paid during year	570,000	575,000	755,000	755,000	760,000	575,000
Dividend payable	180,000	180,000	360,000	360,000	360,000	360,000
	750,000	755,000	1,115,000	1,115,000	1,120,000	935,000
Net surplus per balance sheet	3,818,928	4,404,617	4,501,233	4,499,819	4,216,951	3,851,243
ASSETS						
Mining property	250,000	250,000	250,000	250,000	250,000	250,000
Milling plants, less depreciation reserve	....	....	401	401	2,147	34,719
	250,000	250,000	250,401	250,401	252,147	184,719
Cash in banks	723,329	1,189,598	1,120,809	1,614,278	1,386,521	1,401,680
Ore, bullion, etc., on hand	849,168	1,005,226	1,126,645	895,604	891,387	1,031,047
Custom reserve and bullion on hand	....	78,895	68,870	3,511	....	....
Silver ore shipped and outstanding	....	675	....	....	....	....
Accounts receivable	22,455	5,005	11,759	7,140	4,215	5,826
Accrued bond interest received	23,825	22,252	28,827	....	....	....
Supplies	65,493	87,656	112,926	109,148	77,778	97,951
Deferred change	....	....	....	....	....	345
Investments	2,405,434	2,426,930	2,641,470	2,435,618	2,440,626	1,848,555
Total assets	4,329,704	5,066,237	5,361,708	5,315,731	5,052,674	4,670,123
LIABILITIES						
Capital stock, issued and outstanding	250,000	250,000	250,000	250,000	250,000	250,000
Current:						
Accounts payable, including taxes	77,800	210,511	222,173	179,293	198,795	184,270
Dividend payable	180,000	180,000	360,000	360,000	360,000	360,000
Accrued expenses on ore on hand	12,976	21,109	28,301	26,619	26,928	24,610
	270,776	411,620	610,474	565,912	585,723	568,880
Surplus	3,818,928	4,404,617	4,501,233	4,499,819	4,216,951	3,851,243
Total liabilities	4,339,704	5,066,237	5,361,708	5,315,731	5,052,674	4,670,123

NIPISSING MINES CO., LTD.

	1926	1925	1924	1923	1922	1921
ASSETS	$	$	$	$	$	$
Capital stock of Nipissing Mining Co.	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Div. rec. from the Nipissing Mining Co.	180,000	180,000	360,000	360,000	360,000	360,000
Cash in bank	7,696	8,692	7,595	7,052	8,169	8,817
Total Assets	6,187,696	6,188,692	6,367,595	6,367,952	6,368,169	6,368,817
LIABILITIES						
Capital stock	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Dividend payable January 1	180,000	180,000	360,000	360,000	360,000	360,000
Surplus, per statement of receipts and disbursements	7,696	8,692	7,595	7,952	8,169	8,817
Total Liabilities	6,187,696	6,188,692	6,367,595	6,367,952	6,368,169	6,368,817

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NEXT FOUR MONTHS SHOULD TELL NIP. MUCH OF MONTBRAY

Possible to Read Optimistic Note Into Mr. Earle's Remarks

Some have taken the remarks of Pres. E. P. Earle, Nipissing Mines, at the annual meeting, when he was discussing the dividend, to mean that the directors at the next meeting will suspend dividend payments.

The better word to use would be "may" suspend.

Mr. Earle's statement was not positive. He expressed the opinion that the dividend should be stopped entirely in order that the company may have the full benefit of its surplus to spend on the development of its other properties.

He added, however, that the meeting of the directors that will deal with the next declaration will not be until June and there is a possibility that there may be something good that they do not know about now on the Mountbray property before the meeting.

Note of Optimism

Mr. Earle is playing safe with his shareholders, but one cannot help reading a note of optimism into his remarks about the Mountbray group.

Discussing this development at the behest of shareholders, Manager Parks said that they were concentrating their work on No. 3 zone, he told shareholders. The drill holes had been spotty. There was no truth in reports that results of drilling at depth had been less encouraging than on the surface. Results at depth had been better. Most of the drilling has been at a level of about 150 feet. There are two holes which have been drilled as deep as 200 feet. Results at depth have shown much more regularity than showings indicated at surface. The structure is quite different from Rouyn. The ore apparently occurs in lenses in vertical ore bodies. It will be about four months before they will be able to state definitely what Montbray holds in the way of a mine.

Duprat's Second Hole is Same as the First

The second drill hole on Duprat property, being put down on the north group adjoining Waite-Montgomery, did not encounter anything different than that found in the first hole which showed mineralization of a disseminated nature, running from 2 per cent. to 4 per cent. copper. Further surface work is being carried out on this group as there are some very interesting looking spots on the fractures along the contact. While this work is being done arrangements are being made to put the drill on the south group to drill along the boundary of the properties controlled by the American Smelting & Refining Company, who are also drilling at this time as high as 20 per cent. in a nine-foot test pit.

A group of men have been sent in to the Montbray holdings of Duprat where camp buildings are being erected preparatory for a big development campaign during the next few months. These properties have some interesting showings.

Heavy Machinery For Fisher-Quebec Operation

Frank C. Loring, consulting engineer, and E. M. Loring, field engineer of the Fisher Quebec Gold Mines, Limited, have been authorized by the directors to make purchases of the larger machinery needed to continue the development of the mine to depth. A complete assay plant will also be purchased and installed immediately.

The crews to handle deeper mining are all on the property and the active development program which has been outlined will be pushed forward immediately.

Manage Red Lake Mines

Thomas Rule, Port Arthur, has been appointed manager of Red Lake Mines, Ltd., property, Woman Lake.

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CANADA PRODUCED 5% WORLD'S COPPER DURING PAST YEAR

Two-Thirds of Total Comes from Three B.C. Producers

OUTLOOK EXCELLENT

Increased Production on Coast, Ontario, Manitoba and Quebec Looked For

By A. H. A. ROBINSON,
Dept. of Mines, Ottawa.

A preliminary estimate of the total copper production of the world in 1926 is 1,658,000 tons of which amount Canada probably contributed about 70,000 tons or 5 per cent., compared with 54 per cent. for the chief producer, the United States. A little more than two-thirds of total Canadian output comes from British Columbia; most of the remainder from the nickel-copper mines at Sudbury, Ontario, and there is a small production from the Eastern townships in Southern Quebec.

Practically all the British Columbia copper derived from three large mines, operating on immense low grade deposits of disseminated copper sulphides to which a small additional value is given by accompanying gold and silver. These, in order of production, are the Hidden Creek mine of the Granby Consolidated Mining, Smelting & Power Co., at Anyox in Northern British Columbia, Britannia mine at Britannia Beach on Howe Sound, about twenty-eight miles north of Vancouver, and the Allenby mine on Allenby (or Copper) mountain near Princetown in the southern interior portion of the province. The annual production of copper from these properties now approximates 45,000 tons and it is expected that this figure will be increased in 1927.

Ontario Output

In Ontario production of copper in 1926 was about 20,656 tons, but as practically all of this output is obtained as a by-product of the Sudbury nickel industry production rises and falls with that of the nickel. The product is shipped from the Sudbury smelters in the form of converter matte (a mixture of nickel and copper sulphides) some of which is sent to Wales for treatment where the copper is recovered as copper sulphate. A part also goes to the United States for the production of monel metal, a "natural" nickel-copper alloy made directly from the matte without previously separating its metallic constituents, but the largest portion usually goes to the International Nickel Company's refinery at Port Colborne, Ontario, where the copper is separated from the nickel and recovered either as blister or electrolytic copper.

In the Province of Quebec the present small out-put of copper is derived entirely from cupriferous pyrites deposits that have been worked for very many years in the Eastern townships. The copper is recovered in the form of concentrates that are exported for treatment. It is by no means impossible, however, that Quebec may within the next few years rank next to British Columbia in Canadian copper production.

Rouyn Deposits

Large deposits of very rich copper-gold ore have been developed in the vicinity of Rouyn in the northwestern part of the Province, where a smelter capable of handling 1,000 tons of ore daily is now being erected. As it is not likely that this will be completed before the autumn of 1927, the effect of the new field on production records will not become apparent until 1928.

Manitoba is also likely to become an important producer of copper in the future. Here the existence of very large bodies of mixed copper and zinc sulphides is known at Flin Flon lake and other places in the vicinity of the Pas. The difficulty of making an economical separation of the copper and zinc, as well as the low grade of the ore and the remote situation of the deposits, has so far hindered their development but these problems seem likely to be soon overcome and a small pilot plant for the treatment of Flin Flon ore is now in operation.

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OLD PROSPECTOR LOST MUCH BECAUSE OF HIS KNOWLEDGE

(Continued from page 17)

help of the pamphlet. Close, careful observation of appearances is taught, and also such simple tests as can be made with the finger nail and a knife. The knife is rubbed with a magnet, so that magnetic minerals may be detected. After each specimen is identified, an envelope is supplied to put it in. On this envelope is printed the name and a short description of the mineral. The composition, uses, and value of the minerals are discussed, and the rocks in which they may be found are mentioned. After an hour or so of this kind of work, the class is set at spotting larger specimens of the minerals already studied. At the end of the eight days each member of the class has a set of about seventy specimens including most of the common minerals and rocks. In a course of evening lectures the instructor discusses rock structures, and mineral deposits, always in relation to prospecting, and winds up with a lecture on the district in which the class is being held. All this is done in simple language, and lantern slides are used extensively. Suggestions are made as to areas that might be prospected for certain minerals. These suggestions have borne fruit.

The useful results obtained by the prospectors' classes in Ontario would seem to justify a wider use of this or some similar method of giving the rank and file of the prospecting fraternity the rather unusual kind of education they need. The business seems to be developing along lines of more careful organization, toward a point at which it will compare with any other business based upon modern science. When that point is reached, prospecting will be under the direction of carefully selected engineers or mining geologists, but there will be room in the business for men of a great many grades of general education, provided that they have the ability to add the special knowledge of minerals and rocks.

Cobalt Lease Operation Will Soon be Started

It is understood that Chas. Keeley's interest in the Cobalt silver lease, adjoining Coniagas and Buffalo holding of Mining Corporation has been acquired by his associates and that plans are being made to open up the property.

HOLLINGER CAN EARN 45% ON ISSUED STOCK

May Reduce Millheads Still Further as Costs Are Slowly Cut Down

While Hollinger Gold Mines is generally referred to as a large low-grade venture, the fact stands out that it probably has as much real high grade as any mine in Canada. What Hollinger is really doing is mixing as much low grade as it possibly can with the high grade. This means that low-grade ores that would not be profitable otherwise can be mined and treated and at the same time production can be kept on a steady level.

Hollinger has carried on development on approximately 80 veins. In many of these, the ore is high-grade. In one vein alone, there is close to $6,500,000 "blocked out" in which the average gold content is approximately $20 to the ton. In another vein there is close to $5,500,000 in a vein which carries an average of $14.32 per ton. There are 28 veins in which the average gold content is $13.16 per ton for a total reserve of $23,235,000. There are an additional 27 veins in which the average gold content is $9.08 per ton for a total of $27,605,000.

Reserves $66,000,000

It is important to keep in mind that at the end of 1926 the ore reserves were estimated at $66,000,000, made up of an average of $8.49 per ton, of which $52,163,745 was made up of ore carrying an average of $10.45 per ton, says Financial Service.

Despite this large amount of rich ore it is interesting to note that the mill was operated throughout 1926 on ore containing an average of $7.99 per ton, for a recovery of $7.54 from each ton treated.

The question arises as to what further lengths the management may go in the matter of guarding resources. It is considered possible that an even greater amount of low grade may be converted into payable ore by bringing down the general average in the mine. As to this, it is significant to note a steady reduction in operating costs, a factor which would permit the greater tonnage program and still leave the margin of $3.70 per ton net profit.

Last year the mill treated an average of 5,295 tons daily. The plant is now at a rate of around 6,000 tons. Official statements were made some time ago that 8,000 tons daily would be the ultimate goal, and it appears entirely safe to expect a rate of 7,000 tons daily to be established late in the coming season.

Earning Possibilities

Basing calculations on an average profit of $3.70 per ton the plant at 7,000 tons daily capacity would handle 2,555,000 tons for a net profit of $9,453,500 a year. This would be equal to 38.43 per cent. on the company's issued capital of $24,600,000, or 8 per cent. earned annually on shares valued at around $24 each.

On the same basis of calculation, but with the mill up to 8,000 tons daily, the net profits would reach $10,804,000 annually—amounting to 44.24 per cent. annually on the issued capital, or the equivalent to 8 per cent. on shares selling at $27.50 each.

Plant Written Down

Although expenditure on plant is closely approaching $10,000,000 yet the liberal writing off annually has brought this down to where it is booked at only $283,603. The current year will probably see the expenditure on plant completely written off. This will leave only the upkeep, enlargement or replacements to be provided for annually.

In accepting the estimate of $3.70 per ton net profit as available for dividends or surplus, this is done without making allowance for upkeep and replacement of plan out of profits from production.

The centre of operations on Hollinger continues to be between surface and 1,550 feet in depth. So far, there is a mere 20,000 tons of ore broken below the 1,550 feet level. This means that although the shaft is now down 3,200 feet, yet over half that distance is still virgin. Hollinger has additional interest at the moment because of the big exploration effort it is making in Kamiskotia.

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BROWNLEE EXPECTS TO GET EXTENSION OF NORANDA ZONE

Interesting Diamond Drill Exploration Going on North of Horne

One of the most interesting developments taking place in the Rouyn camp is that of the Brownlee mine. In its situation it straddles directly across the line of the formation carrying the rich ore bodies of the Noranda. It is fairly apparent now that these ore bodies were created by solutions sent out from the out crop of granite lying immediately west of the Brownlee west boundary. The rhyolite belt carrying these copper deposits strikes almost due north from the Noranda No. 1 shaft until it reaches the Brownlee south boundary when it apparently begins to curve to the west, this curve gradually accentuating until it passes out of the west Brownlee boundary into the property just west of and adjoining Brownlee which was purchased by Noranda. The granite out crop referred to is situated in this property and its addition to the former Noranda holdings may be significant.

Overburden Heavy

Slowly but surely, under the considerable handicap of a heavy overburden, the Brownlee management has worked out its problem with the help of magnetic surveys and diamond drill and has succeeded in proving to its own satisfaction that the parallel diabase dyke and rhyolite belt in which the ore bodies are found in Noranda, continue into, and probably through the Brownlee, without practically any horizontal displacement beyond the probable curve referred to above. There has been, however, a vertical displacement at the boundary line between the two properties, though to what extent has not yet been definitely established. At this point, the rocks to the north have slipped downward leaving in ages gone by a cliff, the top of which has been sheared off by ice movement and erosion exposing the ore bodies in the Noranda ground. It will therefore be necessary for the Brownlee to go probably several hundred feet deeper before they reach the same horizon geologically as the Noranda are now working in.

Where Values Come From

One fact seems well established which is, that the solutions emanating from the nearby granite and which enriched the Noranda so generously undoubtedly, flowed in their course through the Brownlee rocks, and the Brownlee people say there is no reason why they have not precipitated and deposited their burden of metal at that point as well as farther south.

If this were found to be the case, as seems likely, a situation of further interest arises, inasmuch as that the dip of the formation is to the east and bringing the rhyolite further and further into the Brownlee territory. At some thousands of feet depth a very large proportion of the rhyolite belt, in fact over one half mile in length, would be contained in Brownlee ground with Noranda covering both ends to the south and north west.

Using Diamond Drill

Brownlee properties are somewhat heavily over-burdened with boulder clay and drift to a depth in some places of 40 feet or more. Their task has been therefore rather a heavy one but the diamond drill has been an invaluable aid in providing information. A comprehensive plan is now being laid down for probing this mineralized belt in search of ore bodies which the management, with some justification, feel confident exist. This operation was started a short time ago with a series of vertical drill holes near the Noranda boundary. The first was within two hundred yards of one of the best showings on that property, and cut 15 feet of low grade ore carrying zinc and copper values. Another drill hole has now attained close to where it is estimated it will enter the same horizon as that in which the Noranda are now working. Noranda's first few holes were failures, it will be interesting to note the results in future. It must however, be taken into consideration that in the Noranda belt about one in three drill holes actually pick up high-grade ore and the Brownlee may have to put down several holes to the one now being bored before achieving its object. Noranda's first few holes were failures.

Barry Hollinger Cuts Vein

Barry Hollinger development on the 1000 ft. level has cut No. 7 vein. This fact was marked by a flurry in the stock during the week.

Bryant OIL CO. LTD.
CALGARY, CANADA

Lonergan Securities
is pleased to recommend
purchase of shares in
Porcupine
Kirkland
Lonergan Securities Limited
Union Trust Bldg. Toronto

Whitney's May Soon Take Up Option on Flin Flon

(Continued on page 17)

is off. This syndicate is comprised of some of the International Nickel leaders and New York copper men who have untold capital at their disposal.

The development of the Flin Flon mine with the railroad will cost around $20,000,000, allowing $4,000,000 for the building of the railroad. The province of Manitoba has guaranteed the bonds to build the railway to the extent of $3,500,000. The purchase price of the property will be $4,500,000, of which $3,000,000 and a 15 per cent. interest goes to the Mining Corporation.

Water power will be developed on the Churchill River, 70 miles to the north, at a cost of $4,000,000 and the development of the mine, the flotation mills and smelter will account for the rest of the expenditure.

Mill

The building of the present pilot flotation mill was commenced last summer and was put in operation early in March, it being the intention to operate this mill to ascertain its practicability as a commercial unit. The operation has been entirely successful and the speedy development of this enterprise will soon be under way.

The initial plant will undoubtedly be a unit of 3,000 tons per day and stepped up to 5,000 tons per day in a couple of years.

The ore reserves at present give them 18 years' ore with a 3,000 ton a day unit and 12 years' ore with a 5,000 ton unit.

The valuable minerals in the ore are copper, zinc, gold and silver,—the previous metal content being $1.80 gold and two ounces of silver per ton.

Mining will be cheap owing to the fact that the ore is massive and seven cubic feet make a ton. Also the great width of 350 feet will make exceptionally cheap mining. A profit of $3.50 per ton is in sight at present and will no doubt be improved on.

The opening up of this large mine means much to the provinces of Saskatchewan and Manitoba, as it means a town of 20,000 people in a few years; also larger turnover for the railways and a large payroll and heavy expenditures for supplies, as the Flin Flon mine alone operating on a basis of 3,000 tons a day will produce over $7,000,000 annually. The railroads will also benefit from haulage, as the large operations will mean the handling of coke, silica, limestone, salt, and the outgoing freight is also considerable, a ton of copper and zinc will go out as freight for each 18 tons of ore treated.

Sherritt Madole Property

Located 35 miles north-east of Flin Flon on Cold Lake is the Sherritt Madole property. It was optioned to J. P. Gordon in 1925, who interested Messrs. Earle and Fasken of New York and Toronto. Diamond drilling was done during the spring and summer of 1926. 28 holes were put down over a distance of 1,160 feet and 26 of the holes were in ore, showing an ore body of 3,000,000 tons above the 300-foot level, with a width of 15 feet. This ore is a much easier ore to treat than Flin Flon as it will give a much higher grade concentration. Messrs. Fasken and Earle made an effort to secure better terms than originally agreed upon and in failing to get them allowed the property to lapse. Some say that it was felt at the time that no one would take it over; however, Victoria Syndicate has stepped in and taken the option over and proceeded to make a check of the remaining half of the diamond drill cores. This check, it is said, proved a surprise as the check assays are reported to show a much higher zinc and copper value than the returns submitted by Messrs. Heindeirich, Earle and Fasken's engineer. In fact, the discrepancies are said to be so great that the Mond Nickel Co. had them checked by Ledoux & Co. of New York and by other leading firms, and assayers and these were found to check with the values secured by the Victoria Syndicate. This is said to have caused considerable bad feeling between the Gordons and the Fasken-Earle syndicate, which has not been settled as yet as Mr. Gordon claims it was also agreed that any claims staked, should the deal not go through, were to be returned to the Sherritt group. Messrs. Fasken and Earle have not done so and a lawsuit designed to compel Messrs. Fasken and Earle to do so, is now on.

The property was later the subject of negotiations by the Cunico Syndicate and it proposed diamond drilling on a large scale. The deal, however, is said to be temporarily off. Their plan was to develop at least 10,000,000 tons of ore, sufficient to justify an independent plant and water power.

Callinan Flin Flon Mines

Callinan Flin Flon Mines was organized lately to take over the holdings of John W. Callinan, of Toronto, and the groups owned by Messrs. A. Neale, J. E. Ridd, G. Fraser and L. C. Hague, which comprise 750 claims immediately surrounding the Flin Flon Mine, and it is understood Mr. Callinan is now negotiating with the Callinan, McKay Exploration Co., who have 35 claims adjoining Flin Flon also. This group would have above 3,000 acres of the very best ground surrounding Flin Flon. There are several good showings on the property, and the geological conditions are similar to that of Flin Flon. With this amalgamation completed the company will have the largest acreage of good ground in the district.

Mandy Mine

The Mandy Mine was sought by the Flin Flon and an effort was made to secure it, and it is said that terms were made with Gov. Miller, of the Tonopah Co., which controls the Mandy, but later turned down. The Flin Flon people have not had much success in dealing up to date with outsiders, and the Sherritt property has got away from them, which would have been a great asset had they got hold of it.

The District

This Flin Flon mineral district and the area north is one of the largest and will prove one of the greatest in Canada. There are a great number of good showings and a great deal of development will be necessary. The district will have a greater number of prospectors this year and favorable conditions will exist as soon as the railway is ready, as transportation is to-day the one drawback.

Handle Mond U.S. Sales

H. R. Condon, formerly with Pennsylvania Railroad Co., has been appointed general manager of American Mond Nickel Co., Pittsburgh, Pa. This is the selling agent, in United States, for nickel smelted by the Mond company at Coniston, Ont., and refined in Wales.

ASTORIA
ROUYN MINES
LIMITED

Because geological conditions are similar to those of mines already proved; because showings of both gold and copper on the Company's mining claims are promising; because the men behind the enterprise are Canadian business men of undoubted integrity—shares in Astoria Rouyn Mines Limited are looked upon as a promising speculative investment.

For further information write
GORDON P. O'REILLY & CO.
74 Sparks St., Ottawa
120 St. James St., Montreal

MINING STOCK QUOTATIONS
Week Ending April 26

	Par. Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Apr. 26	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Abana	.	...	...	35	34	35	10000	..	..	35	20
Aconda	.	...	...	27	23	25	7000	..	..	42	20
Ajax	.	...	...	25	23	25	1200	..	..	44	6½
Algonquin	1	...	...	2¾	2½	2½	9500	6¼	1½	5¼	2
Amos	.	...	...	..	..	..	....	..	..	56	15
Amulet	1	...	...	1.22	1.09	1.19	88100	2.89	.90	2.89	.85
Andean	.	...	...	..	..	..	....	..	..	22½	19
Apex	1	...	...	..	..	..	....	6	2¾	31½	2
Area	1	...	...	32	29	29	50270	1.55	.21	1.95	.29
Argonaut	1	...	...	43¾	41	42	87950	67	18½	58	28
Atlas	1	...	...	5⅝	5	5⅛	47570	5	1⅝	7	2
Allied Mines	.	...	...	5.51	4.40	5.00	20339	..	..	5.51	2.70
Baldwin	1	...	...	2¾	2½	2⅝	31100	6⅞	1	4¾	2¼
Bard	.	...	...	1.21	1.10	1.21	11400	..	..	1.50	.30
Barry Hollinger	1	...	...	47	40	43	255980	1.00	.21	1.00	.36½
Beatty	1	...	...	..	..	..	....	..	..	½	½
Beaver	.	...	...	94¼	85	87	58500	99	51	92	59
Bellellen L.	1	...	...	..	..	..	....	23½	20	23½	3½
Bidgood	1	...	...	11½	9⅞	10	46900	9⅝	4½	12	9
Boischatel	.	...	...	7½	6	7	18260	..	..	27	6
Bourlamaque	1	...	...	70	55	70	10500	1.45	1.02	1.53	.50
Boston Creek	.	...	...	..	..	..	....	..	..	1	½
Buckingham	1	...	...	5¼	4½	4½	32500	7¾	2	9½	4¼
Bunker	.	...	...	77	76⅞	77	58	..	..	77¾	76¾
Calartic	.	...	...	..	..	..	....	..	..	1.00	94
Can. Lorrain	1	...	...	29	25½	27	21400	93	57	72	22½
Capital R.	.	...	...	16	16	16	1000	43	25	54½	15
Capital S.	1	...	...	26½	24½	24¾	11500	48½	24	34	24
Castle Tre.	1	...	...	97½	92	95	37250	1.85	.91	1.27	.92
Central Man.	.	...	...	1.51	1.25	1.50	40635	..	..	1.51	1.07
Chaput H.	1	...	...	9½	8	9	94500	22	3⅛	10	4⅝
Clifton	1	...	...	1⅛	1¼	1¼	1000	6½	1	2	1
Coniagas	5	...	...	3.60	3.60	3.60	300	4.85	3.00	4.40	3.41
Coniaurum	5	...	...	3.25	3.00	3.25	425	4.45	3.00	3.50	2.85
Col. Kirk.	1	...	...	6	4	4	160120	6¾	2	6	2
Cons. Smelt.	25	10	3.98	260	225½	251¼	10082	2.65	1.77¼	2.64	2.42
Corona	1	...	...	17	14	..	36900	37½	20	37	11¾
C. W. Dome	1	...	...	8	7½	7½	322420	29½	14	19	7
Crown Res.	1	...	...	9⅞	8	9	61105	24⅛	8	11¾	7¼
Copper Head	.	...	...	50½	49	50½	22400	..	..	50½	49
Davidson	1	...	...	1	1	1	1500	3	½	3	1
Destor	.	...	...	..	..	..	....	41	40	43	40
Dome Mines	None	1.00	11.76	9.00	7.50	8.50	5185	20.00	8.00	10.85	7.50
Don Rouyn	1	...	...	42	31	37	66175	61	25	56½	18
Duprat	1	...	...	14	11	11¼	174700	35½	10	34½	13
Dubec	.	...	...	58½	50	58½	73525	..	..	58½	35
Duprey	.	...	...	..	..	..	....	..	..	10	10
Everett	1	...	...	3¼	3	3	4000	12¼	3¾	5½	3
Fiske	.	...	...	10½	10½	10½	500	16	12	30½	10
Fisher Que.	.	...	...	85	80½	83	11550	..	..	78	75
Gifford	.	...	...	..	..	..	....	..	..	1¾	½
Gladstone	.	...	...	..	..	..	....	..	..	29	27
Goldale	1	...	...	27½	26	26	8700	43	24	30	20
Gold Hill	1	...	...	36½	34½	36½	83700	73½	25	54	34
Gold Reef	1	...	...	1	1	1	3500	5	1	2½	1
Grover Daley	.	...	...	14	12¾	12¾	78500	32	32	37	12¼
Harvey	.	...	...	14½	12	14	475	..	..	16	15
Haultain	.	...	...	..	..	..	....	..	..	15	14
Hillcrest com.	.	...	...	63	63	63	25	..	..	65	60
Do. pref.	.	...	...	..	..	..	....	..	..	87	84
Hilltop	1	...	...	15	14½	15	14500	31¾	20	24	14
Hollinger	5	26	6.26	21.00	20.70	20.75	13335	21.00	16.65	22.95	20.00
Howey Gold	.	...	...	50	49	52	6800	..	..	55	42
Indian	1	...	...	9	7	9	11000	14½	3¾	11	4
Int. Nickel	None	2.00	3.45	60¼	51	58⅝	62896	46	33	60¼	38
Keeley	1	24	17.14	1.45	1.38	1.40	15925	1.91	1.39	1.46	1.37
Keora Mines	1	...	...	5¾	5	5¾	6500	22	11	14½	4
Kirk. Hunt.	1	...	...	22	19½	22	53150	34	8½	35	14¼
Kirk. Lake	1	...	...	1.25	1.05	1.10	153700	1.44	.69	1.26	.85
Lakeside	1	...	...	2¼	2	2¼	25500	10	1½	6	2
Lake Shore	1	...	...	19.40	19.00	19.10	5000	16.15	9.05	19.46	15.40
La Rose	1	...	...	10½	8	8½	8600	39	4	12	7
Laval	1	...	...	31½	27½	28½	142350	45¾	21	55	20
Lorrain	1	...	...	2¼	2	2	9000	15	2	3¼	2
Lorrain T. L.	1	...	...	30	30	30	3000	1.00	.30	.40	.25
Lucky Jim	.	...	...	..	..	..	....	..	..	21	20
Macassa	1	...	...	27½	24	27	65100	43	25	37	22
Marclay	1	...	...	..	..	..	....	35	30	42	34½
McIntyre	5	20	3.75	26.50	25.00	25.75	6756	29.75	22.70	27.50	24.50
McKinley D.	1	...	...	16	13	16	28160	26	8½	17½	11
Millcrest	1	...	...	6	5¼	5¾	8300	6	4½	6	4
Mining Corp.	5	12½	...	3.57	3.40	3.55	11837	4.45	2.60	3.65	2.90
Moneta	1	...	...	10	9	10	4000	18	11	14	8¾
Montreal Rouyn	1	...	...	10	10	10	5500	60	13	33	10
Newray	1	...	...	31	31	31	100	45	31	33	28
Night Hawk	1	...	...	9⅞	7½	9½	221350	17	3¼	9⅞	4½
Nipissing	5	12	9.09	8.15	6.40	6.60	32714	9.25	4.95	10.30	7.20
Noranda	None	...	...	22.50	21.10	21.70	10977	24.75	12.00	22.50	19.95
North Am. Lead	.	...	...	2.25	2.05	2.15	34400	..	..	2.25	1.71
Ophir	1	...	...	..	..	..	....	4	½	4⅝	1¾
Osisko L.	.	...	...	41	41	41	3400	1.94	1.05	1.75	.40
Ontario	.	...	...	107	104	107	7300	..	..	107	104
Pioneer	1	...	...	1.05	99	1.00	33355	1.22	.66	1.18	1.01
P. L. Cobalt	1	...	...	8	7½	6	12500	32	14½	18	6
Porc. Crown	1	...	...	8	6½	7	48000	12	4	11	6
Potter Doal	.	...	...	41	39	40	46100	..	..	65	32
Power & Mines	.	...	...	1.55	1.38	1.51	21650	..	..	1.41	1.00
Premier Gold	1	32	15.23	2.15	2.08	2.10	19400	2.75	1.83	2.30	1.86
Preston	1	...	...	4½	3¼	3¼	27300	9⅞	4	6	3
Quebec Prov.	.	...	...	..	..	..	....	..	..	6.00	3.95
Ribago	.	...	...	22	20	20	12800	..	..	87	20
Rouyn	1	...	...	2½	1½	1¾	29250	9	1⅞	5	1½
Rouyn Que.	1	...	...	1½	1½	1½	2500	4½	1¼	4⅝	1½
Siscoe	.	...	...	..	..	..	....	..	..	20	12
South Keora	1	...	...	12	12	12	5000	35½	5	64½	10
Stadacona	1	...	...	25	17	21	18890	51	40	55	18
St. Anthony	.	...	...	31½	31½	31½	500	..	..	32	16
Sylvanite	1	...	...	4.00	3.75	3.80	11234	..	..	4.30	2.60
Teck Hughes	1	10	1.40	7.20	6.91	6.95	71164	5.55	2.64	7.20	5.37
Timiskaming	1	...	...	..	..	..	....	15¾	6	7	6
Thomp. Krist.	1	...	...	..	..	..	....	3½	1	1	½
Tough Oakes	1	...	...	54	51	51½	88825	66	36	62½	39
Towagamac	.	...	...	3.45	2.95	301	3946	6.10	3.15	5.75	2.85
Do. Rights	.	...	...	..	..	..	....	..	..	19	1
United A.	.	...	...	..	..	..	....	..	..	35	35
Vac Gas	1	...	...	14	13	13½	2900	..	..	26	3
Vickers	1	...	...	45	40	40	1050	1.22	.13	1.46	.35
Victory Silver	1	...	...	8	7¼	7½	12750	10½	3	14	4½
Vipond	1	...	...	1.45	1.38	1.39	20400	2.02	1.49	1.75	1.25
Waite Mont.	.	...	...	..	..	..	....	..	..	8.75	7.50
Wakenda	1	...	...	3	2¾	2¾	7000	2¾	1	5	2
Wasapika	1	...	...	1¼	1¼	1¼	1000	4	1	2	1
West Tree	1	...	...	3	3	3	1000	4	2	4	3
Wettlaufer	1	...	...	3¾	3½	3½	5500	10	2	3¾	2
Wright Harg.	1	37½	3.35	11.25	11.00	11.05	25950	10	7.75	11.25	9.35
Wigwam	.	...	...	..	..	..	....	..	..	4	3¾

7 Million Share Co. For Cons. West Dome

Shareholders of Consolidated West Dome are to meet May 10 to pass on a proposal to sell the assets to a company of 7,000,000 no par value shares. Old shareholders get one new share for two old.

The notice calling the meeting states that the directors have already arranged that upon the new company being incorporated and acquiring the assets of this company the directors among themselves will subscribe and pay for 667,000 shares of the capital stock of the new company at 15 cents per share, and 1,500,000 shares of the new company's capital stock will be offered to the shareholder for subscription at 10 cents per share. They recommend the proposed sale of the assets of the company and of treasury shares of the new company as being the most feasible method of raising the necessaray funds to develop the mine.

Trethewey-Ossian Mines, Ltd.
(No Personal Liability)

Authorized Capital - $3,000,000
Par Value of Shares $1.00

Diamond Drill Results

Our engineer informs us that the diamond drill in No. 2 hole cut through 18 ft. of vein matter at 240 ft. and 8 ft. 6 ins. of vein matter at 400 ft.

These are two separate and distinct veins that do not appear on the surface.

For further information, apply to the

Keystone Securities Corporation, Limited
347 Bay Street, TORONTO, ONTARIO

Further Good News About

Makamic Mines
Incorporated

Vein "A" which was of 15 inches in width, at a depth of 20 ft., is now of twenty (20) inches at 27 ft. moreover on the North wall of the Vein,—there is a vein of Quartz of 15 inches, giving a total of rich mineralized area of thirty-five (35) inches wide.

New Discoveries

On the 19th inst. two important veins were discovered. The Company has increased its holdings in purchasing the property of three hundred and twenty (320) acres known under the name of Armstrong, having a geology of the greatest reputation,—giving a total of 1200 acres in Destor Township and three hundred and thirty-eight (338) acres in Dalquier Township.

Increase in the Price of Shares

A limited amount of shares can be secured at 60c,—it is definitely known that after the first of May the price of the shares will be 75c.

Mining Securities Corporation
Room 303. 205 St. James St.
MONTREAL, QUE.
LAncaster 0276-0277

MIN. CORP. EARNED 31 CENTS A SHARE; PAID OUT 25 CENTS

Report Shows Good Financial Position and Fair Mining Possibilities

Mining Corporation of Canada earned 31 cents per share during 1926 before making provision for depreciation. After paying 25 cents per share there remained $19,910 to add to surplus. The report shows the company to be in strong financial position. Liquid assets standing at $1,176,461 and current liabilities at $61,549.

Production during the year was ten per cent. higher than 1925, but the value of the production was quite a bit lower, due to the falling off in the price of silver. Costs were also materially lower, showing a very favorable situation in this regard.

Total silver production for the period amounted to 2,210,053 ounces from all classes of ore, which compares favorably with production for the previous year, which stood at 2,032,105 ounces. The increase, according to the resident manager's report, was entirely in mill-grade ore from the Cobalt properties, the total tonnage of mill ore from the corporation's mines being 57,874 tons, as compared with 54,979 tons for the previous year.

Reserves Fall Off

At the company's Cobalt properties, in spite of increased exploration and development work, new ore put in sight did not equal that extracted, and a falling off in ore reserves is to be noted. This is to be expected as the areas favorable for development are rapidly being reduced. At the South Lorrain properties there were no major developments of high-grade ore, but much promising ground remains for exploration.

Production of cobalt was greatly curtailed, owing to the lessened demand, the total weight of cobalt metal paid for being 85,316 pounds, as compared with 293,324 pounds in the previous year.

Pres. J. P. Watson in discussing the year's operations said:

Notwithstanding the extraction of 1,298,899 ounces from the Cobalt mines, new finds of ore enabled the company to show at the end of 1926 a reserve of 1,000,000 ounces against 1,250,000 last year. The intensive exploration of recent years in these mines is, however, naturally contracting the area there capable of such development. Following the usual custom and owing to the irregularity with which the ore occurs in the South Lorrain mines, sometimes being exceedingly rich and sometimes being disappointing, no estimate of reserves on these properties is given.

Flin-Flon Option

The terms of the Flin-Flon option given (under which the corporation retains a 15 per cent. interest) have been faithfully adhered to by the optionees. They have carried out all work agreed upon, both in their laboratories and on the property itself, on or before the dates specified in the option, and have spent considerably more money than the amounts stipulated in the option agreement.

They have overcome metallurgical difficulties thought by many to be insurmountable and not much now seems to be in the way of a mutually satisfactory exercising of the option. The realizing of our expectations would mean immediate returns to the corporation, but what your directors consider still more important a partnership in a very large and we hope profitable enterprise.

Cryderman Exploration

On the Cryderman, the two veins partially explored down to the 250-foot level are being tested at greater depth by diamond drilling.

In Montbray active operations to determine the value of the 35 claims have been commenced. Of this property 75 per cent. belongs outright to the corporation and 25 per cent. is under option.

Operations are also being conducted at Cross Lake, to determine geology. Work is also being done on the sedimentary area of seven claims in South Lorrain. A deep winze to facilitate exploration work is also being sunk on the Crompton mine.

M. F. Fairlie, mine manager, outlines production as follows:

	Tons	Oz.
Cobalt	51,266	1,105,456
S. Lorrain	6,940	1,104,597
Total	58,206	2,210,053
Milled Tons	57,874	1,494,001
Oz. per ton	.....	25.81
Recovery oz.	....	1,279,783
To smelter	207.94	910,573
Do., (Cobalt ore)	108.05	5,568
Fines	15.72	14,126

Production figures by years follow:

Story of Mining Corporation's Silver Production

	Cobalt Lake oz. pr.	T'nsite oz. pr.	City of Cobalt oz. pr.	Buffalo oz. pr.
1905	......	......	......	82,068
1906	......	......	......	210,598
1907	......	60,963	65,950	466,969
1908	74,934	108,827	503,772	903,126
1909	46,732	......	432,959	1,272,649
1910	239,728	195,597	305,216	1,629,327
1911	626,044	834,949	214,876	1,644,245
1912	1,123,146	1,505,396	207,951	1,890,150
1913	980,858	2,314,602	100,158	1,762,199

		Min. Corp.	Buffalo
1914	1,247,677	2,776,589	912,350
1915	1,566,206	3,115,638	957,831
1916	994,608	......	267,468
1917	......	4,546,065	645,915
1918	......	1,994,061	870,247
1919	......	1,088,064	577,811
1920	......	1,815,594	
1921	......	911,899	
1922	......	1,184,652	
1923	......	2,190,550	
1924	......	1,373,158	
1925	......	2,032,015	
1926	......	2,210,053	
Total oz. prod.		42,582,256	

Balance sheet and profit and loss figures for six years follow:

Profit and Loss

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Production	1,408,020	1,520,561	887,048	250,902	387,824	517,253
Costs at Mine	738,856	842,124	692,392	215,460	285,866	439,610
Net earnings	669,164	678,437	194,656	35,441	101,958	177,643
Other income	5,375	22,137	79,290	119,211	35,191	61,661
Profit	674,539	700,574	273,946	154,652	137,149	139,304
Office, expense, etc.	....	....	147,905	99,795	79,564	587,667
Prov. taxes, etc.	....	....	58,613	8,169	15,620	74,071
Total charges	....	....	206,518	107,964	95,184	661,738
Interest and exchange	32,650	24,951	....	....	....	....
Dividends	3,529	50,000	....	....	....	....
	710,718	775,525	....	....	....	....
Expenses	199,532	173,356	....	....	....	....
Net profit	511,186	602,169	67,428	46,685	41,965	*552,434
Dividends paid	415,013	415,012	....	....	....	....
Written off	76,263	92,407	....	....	....	....
Surplus for year	19,910	94,748	67,428	46,685	41,965	552,434
ASSETS						
Cash on hand and in bank	313,141	529,240	238,369	144,970	433,238	95,017
Bullion	10,046	21,581	138,064	78,041	116,434	331,348
Gen. Exam. & Dev. Co. shs. due	....	....	......	970	499,995	799,995
Government and municipal bonds	600,496	411,514	323,895	453,547	66,840	340,666
Investments	....	....	....	....	419,275	....
Loans secured	25,300	24,277	34,983	86,217	70,684	187,219
Sundry Debtors inc. Adv.	212,322	294,237	176,822	23,210	13,117	17,219
Plant, buildings and equipment	428,064	491,035	586,358	227,619	249,779	251,272
Other properties	1,723,292	1,550,309	1,516,844	1,625,966	1,382,505	1,024,789
Shares Cobalt Red. Co.	....	....	....	349,080	113,328	249,083
Mining rights	5,577,723	5,369,682	5,346,890	7,553,123	7,553,124	7,553,124
Stores and prepaid exp.	15,140	18,345	37,758	20,885	13,288	31,174
Due by Lorrain Oper. Co., Ltd.	....	....	....	383,650	....	....
Due by Cobalt Red. Co.	....	....	....	300,224	249,083	245,039
	8,705,543	8,710,220	8,399,984	11,247,505	11,180,690	11,125,945
LIABILITIES						
Sundry creditors	61,549	87,793	79,748	91,503	70,372	56,238
Dividends declared	207,506	207,506	....	....	....	....
Dividends unclaimed	21,577	19,922	19,986	20,907	21,908	23,263
Profit and loss (acct. bal. at credit)	114,660	94,749	....	2,834,845	2,788,159	2,746,194
Capital Stock: Shares	8,300,250	8,300,250	8,300,250	8,300,250	8,300,250	8,300,250
	8,705,543	8,710,220	8,399,984	11,247,505	11,180,690	11,125,945

*Deficit.

Bunker Hill's Total Dividends $37,280,263

For the first two months of 1927 earnings of the Bunker Hill & Sullivan Mining & Concentrating Company available for dividends totaled $990,261. In the same period two regular monthly dividends of $245,250 were paid on the common stock and $11,903 on outstanding preferred stock. On March 4 and April 4, the regular monthly dividend of 75 cents a share also was disbursed, making the total so far paid this year $992,902 and increasing the grand total to date to $37,280,263.

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AUDITOR'S CERTIFICATE

WE hereby certify we have completed an audit of Messrs. Kiely & Smith's books as of April 6, 1927, and find this firm to be in a sound financial condition, and to have on hand or in the Bank, available for immediate delivery, all stocks, bonds and securities held by them for clients.

W. J. McCOY, L.A., Auditor
Toronto, April 14th, 1927.

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TOWAGAMAC'S DUPRAT GROUP LOOKS BETTER

Pres. McFadden Outlines Work Which Has Been Accomplished by Co.

Towagamac shareholders took up all but a few shares of the offering made at $3.50 early this year and the shares remaining were taken up by the directors, Pres. J. J. McFadden told shareholders at the annual meeting. To place new shareholders in complete touch with the affairs of the company, Mr. McFadden reviewed the history of the organization.

Pioneer Syndicate was formed in the autumn of 1923. Late in 1926 the first copper ore was discovered on what is now the Alderson-MacKay Mine. A few weeks later a dip needle survey of the MacKay claim indicated the presence of another mineralized body which by trenching and diamond drilling was developed into what is now called No. 3 orebody. It now became necessary to finance the heavy expenditures called for in the exploration and development of this orebody. Pioneer Exploration Co. was not constituted financially to assume this burden single handed, hence an interest in this group of approximately 800 acres was sold to N. A. Timmins, Incorporated.

The balance carries an item "Mining Properties, Rights, etc." This is made up of 700,000 shares at par, or $700,000 issued to Pioneer Exploration Syndicate for transferring all their property assets to Towagamac less $98,974 cash asset turned over by Pioneer Exploration Syndicate. The second item "Sundry Mining Claims and Interests, $25,973.96" represents the bare cost of staking, developing and holding claims acquired by Towagamac since its incorporation.

One of Towagamac's chief assets is its equity in the Alderson-MacKay mine, together with the valuable underwriting rights and the option to participate financially in the further development of this extremely valuable property.

Shareholders have been informed from time to time by means of official statements issued to the press what has been accomplished at the mine since the beginning of this year. The gratifying way in which the mine responded to development made it necessary to provide a more powerful mining plant and additional housing accommodation and to change from steam and gasoline over to electricity as motive power. Practically three months were spent in effecting these changes, and during this period all underground development work except for some pilot diamond drilling was suspended. A hoist capable of hoisting from a 2,000 foot depth is now being installed at the mine.

According to recent press dispatches the Government of Ontario has decided to extend the Kirkland Lake branch of the Temiskaming and Northern Ontario Railway now terminating at Cheminis, Ontario, into Quebec to the town of Rouyn. The construction of this extension will be of inestimable benefit to the company.

At the present time a force of men are at work on the large group of claims in Duprat where magnetic and geological survey is almost completed. Very encouraging results have been met with in this area. The geology is most favorable having mineralized zones showing copper sulphides in a number of places, while this survey has been carried on. These occurences of copper will be further explored this summer. Attention may be drawn to the results of gold values in the original samples taken when this area was being prospected more particularly for gold. This leads us to hope for high gold values in any copper ore bodies that are discovered in this group.

The high gold values in the copper ore that the Nipissing mines are getting on their property to the west is further evidence that any copper ore bodies in this section may contain high gold values. While no commercial ore body has been proved on this group it must be remembered that the prospecting has only commenced and the results of the preliminary investigations are very favorable. So much so that Towagamac's engineers acquired all the ground that they could west of the large Flavarin Lake granite and at a very low cost to the company.

Mr. Alderson, in speaking of the Alderson-MacKay mine said an intensive development plan has been prepared. The new electrically driven compressor is now in operation and running smoothly and a hoist capable of hoisting from a depth of 2,000 feet is at the property and is now being installed. A contract has been let to sink the shaft to 400 feet, establishing a station at the 250 and 375 foot levels. By the time this shaft work is completed the new hoist will be installed and drifting will be carried on at the three levels at the same time. Diamond drilling has been started again with the object of cutting No. 3 orebody at horizons below the 400 ft. level and to explore No. 1 and No. 2 ore bodies and other sections of the property. Supplies have been delivered at the mine to carry on until the main highway from Rouyn to the property is completed. On the Duprat group of claims, camps have been established and supplies delivered at the property sufficient to enable us to perform all the assessment work on this group this year.

Good Drill Results on Trethewey-Ossian

Results obtained on Trethewey-Ossian mines from diamond drilling campaign, now in progress, have been satisfactory, having proven the continuance of the surface gold vein to a depth of 270 feet. This vein is 15 feet wide and has been stripped for 500 feet on the surface; at the depth cut it continued to hold its width. At a depth of 350 feet a second vein which does not appear on the surface, was cut showing a width of 8 feet 6 inches of vein matter beyond which the rock appears very much schisted for a further 10 feet.

All this material is well mineralized and shows an encouraging outlook. A third diamond drill hole was started last week and reached a depth of 75 feet on the 18th. This hole is being run with the intention of proving these two veins to a depth of at least 500 feet and at the same time to demonstrate their continuity in length.

After the diamond drilling program is completed, the different cores will be sampled and assayed and from the results obtained, the directors will be in a position to formulate a plan of work which will give the quickest and most economical results.

Makamic Mines Obtains Good Surface Showings

From Our Own Correspondent.

MONTREAL.—Two new veins have been discovered on Makamic property. One of them has been traced for over 1,000 feet carrying zinc and copper values. The company has increased its holdings by buying the Armstrong property. This property shows masses of granodiorhyte, porphyry and dolorite. Similar intrusives proved of great interest to Waite-Montgomery and Harvie Mines. The diamond drill is being operated night and day. From 40 to 50 men are working on the property.

An interesting innovation at the Makamic mines is the provision of a cabin camp, containing six rooms, in which visitors to the property are accommodated.

Maurice Archambault, at Amos, is the consulting engineer for the company. The resident engineer will be announced shortly, and his work will commence about May 1.

Rouyn Air Service Starts

Patricia Airways & Exploration Co., Ltd., has now started an airplane service between Haileybury and Rouyn. It will have two high-speed, closed-cabin passenger and freight carrying type airplanes on the route. The schedule calls for a 40-minute trip. The planes are equipped with brakes on the wheels, starter on the motor and complete sound-proof and fire-proof heated cabin. They were built by the Stinson Aircraft Corporation of Detroit. The same company also operates two machines in the Red Lake district.

Duprat Lake Shore Synd.
For information re the above send to
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W. J. McQueen (Sec.-Treas.) 331 Bay Street, Toronto.
H. Rempel, 216-331 Bay St., Toronto.
Frank Spence, M.P.P., Fort William, Ontario.
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NOTICE!

SYNDICATE now being formed to take up and develop large block of mining claims in Narrow Lake—Woman Lake section. Location and geology exceptionally favourable. Large vein containing high values in gold recently discovered and now being opened up. Syndicate unit buyers in Howey, Noranda, Bathurst and many others have made enormous profits. This project presents another opportunity. We can guarantee careful and honest management and energetic development.

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American Investment Trusts Already Show Big Profits

Thirteenth Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS. Copyright, 1927.

Probably no man in the United States had done more to forward the cause of the investment trust in that country than Dr. Leland Rex Robinson, who was for years United States Trade Commissioner in London. Dr. Robinson, while in England, devoted a great amount of time to the investigation of the causes underlying Great Britain's outstanding position in world's trade prior to the war. He devoted attention to the study of all financial institutions which had directly or incidentally promoted the growth of trade. As a result of his investigations, he drew up a report embodying his conclusions which were in brief that the investment trust in Great Britain had been one of the most powerful influences in giving her a world trade supremacy, which was not disputed before the war.

Promoting Financial Supremacy

He was impressed with the fact that while conservatively operated investment trusts in fulfilling their primary function had provided thoroughly safe, satisfactory and profitable form of investment to the holder of the securities, they had accomplished incidentally something which was of the utmost national significance as affecting the trade and commerce of Great Britain.

That "trade follows the flag" was one of the earliest of recognized principles of building up trade. The second great principle is that "trade follows investment". This principle was demonstrated to the full and profitable satisfaction of the British through the investment trusts which by investing in the outstanding foreign securities of many diversified types in all parts of the world thoroughly cemented trade relations with foreign countries, and did much to build that trade up to its huge proportions. Investment trusts, in fact, did a service for Great Britain as a whole in the matter of general trade which has far surpassed in importance the direct return or profits to the holders of the securities, though these were preeminently satisfactory as a whole, as we have seen.

Now about Sixty Trusts

Prior to the war, the investment trust, as such, was practically unknown in the United States, although there were a number of organizations of relatively minor importance, whose functions more or less remotely resembled investment trusts. Since the war, and particularly since 1921, the investment trusts have become decidedly popular in the United States and have multiplied rapidly so that they number today about 60. More than 35 of these which can be said to resemble the British trust in many particulars, were formed in the period from 1921 to 1926, the large majority being formed late in the period. The thirty-five have now a combined capital of about $300,000,000. Included in the remainder are a number of corporations which only remotely resemble the British investment trust, these being called "trustee share" or "bankers share" corporations. We might also possibly, properly include such outstanding examples as the Harvard Endowment Fund as a private application of the investment trust principle.

Result of Evolution

British investment trusts are the result of evolution. They are the result of trial and elimination during a period of over sixty years. The most significant thing that strikes one is that while there are so many in operation in Great Britain, there is a close approach to standardization. The formation of the organization and the practices followed show a surprising degree of similarity in the great majority. Just as in the early days in Great Britain, the trusts varied widely, so we find in the United States today, considerable variation in the forms assumed from those closely resembling the British typical forms to those in which there is little in common. This is a natural condition in any new field of operation and particularly in the United States, where some relatively new and important principles and ideas in investment have been evolved in the past few years, which should naturally exert some modifying influence, chiefly in connection with the practices followed in making investments. The majority of investment trusts in the United States have been of such recent origin that comparative statistics of results are meagre and, therefore, of little value. There are, however, a few which are worth noticing.

One of the Largest Trusts.

Dr. Robinson in April, 1921, interested a small group in the investment trust idea and the International Securities Trust of America had its inception at that time. Down to the end of November 30, 1923, the investments of the trust had only reached something over $66,000 and the gross income since the organization to that time was $8,706. On November 30, 1926, at the close of its fifth fiscal year, resources amounted to more than $25,000,000 and the earnings were approximately 14 per cent. of the total average capital paid in on bonds and shares, while the average earnings for the five years were equal to about 12 per cent. of its capital. This being the oldest company in the United States which strictly resembles in operation the British companies, its results provide the data for a valuable comparison. The available comparative figures of gross earnings, etc., are as follows:—

	Gross Earnings	Bond Interest Pfd. Div. and Taxes	Balance Earned on Common	Surp. and Reserves	Common Dividends Paid
Inception to Nov. 30, 1923..........	$ 8,736.65	$ 3,580.98	$ 5,155.72	$ 1,615.56	$ 3,540.16
Year ending Nov. 30, 1924.........	74,586.71	27,364.79	47,221.92	24,431.67	22,790.25
Year ending Nov. 30 1925..........	431,355.67	186,654.24	244,701.43	152,937.84	91,763.59
Six months ended June 1, 1926......	683,066.54	317,647.31	365,419.23	261,115.49	84,303.74
	$1,197,745.57	$535,247.27	$662,498.30	$440,100.56	$202,397.74

Story of Achievements

The story of this company's financial achievements as affecting the common shareholders is told by Arthur J. Brewster of the College of Business Administration of Syracuse University, in an address to the students, is briefly as follows:—

"The common stock of International Securities Trust of America sold originally at the rate of $33 1-3 per share. Dividends were paid on the original shares at the rate of $5 per annum, increasing to $6. In December, 1924, a common share distribution was declared of 200 per cent. Dividends paid on the new shares were $2.40, afterwards increased, on the three shares then owned instead of the one share. Another share distribution of 200 per cent. was declared in July, 1926. Dividends at present payable on the new shares are at the annual rate of $1.80 per share or $16.20 on the nine shares now owned in place of the original one share which, you remember, cost the original purchaser $33 1-3. The present value of the common shares is approximately $37 per share or a total of $333 for the nine shares, as against $33 1-3 per share originally paid. It will be seen that the original investors are receiving over $40 per annum for every $100 which they originally paid in for common stock. In addition to this more than 40 per cent. of the earnings available for dividends on the common, after setting up a bond interest reserve fund and a preferred share dividend reserve, has been carried to surplus."

Another younger company which shows satisfactory growth is the Investment Managers' Company. Comparative figures are available for the years 1925 and 1926. This company had received net subscriptions to the end of 1925 of $4,506,100; by the end of 1926 they totalled $9,187,800. The gross income of 1925 amounted to 9.65 per cent. and in 1926 to 9.78 per cent. The distributions amounted to 5.49 per cent. in 1925 and to 5.57 per cent. in 1926, and the undistributed income carried forward in 1925 was 3.46 per cent. and in 1926 was 3.62 per cent. The total assets in 1925 amounted to $4,646,005 and in 1926 to $9,676,419.

Earning 14 per cent. of the Capital

During its first year of operation, the Financial Industrial Securities Corporation made a very creditable showing. Without taking into consideration the market appreciation in securities held at the end of the year, returns amounted to more than 14 per cent. on the average capital employed. This included, however, profits realized from the sale of securities during the period and, therefore, it is not fair to compare the results with the British and Scottish companies, which use all such profits to build up reserves. The balance sheet of the corporation as of January 31st, 1927, showed total assets of $45,016,205. Investments in bank, trust and insurance companies securities were carried at $15,536,246 and investments in other securities amounted to $11,435,350, the balance being made up of cash and demand notes from the recent sale of the preferred stock issue of the corporation.

All such results as these can be said to show at the present time is that the better operated American investment trusts appear to be having important initial successes. They have as yet not been sufficiently seasoned to determine whether the politics followed will stand the strain of depressions in the manner in which the English and Scotch trusts have withstood all storms.

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COL. J. A. CURRIE OFFERING SHARES IN NEW BREWERY

As in Dominion Industrial Alcohol Information Seems Inadequate

Subscribers to The Financial Post report receiving copies of a circular marked "for private circulation only", which urges the recipient to buy stock in the Peace Bridge Brewery, on the Niagara boulevard near Bridgeburg, Ontario.

Investment in this proposition on the basis of information contained in the circular "for private circulation only" is strongly to be deplored for the reason that the information given is inadequate and because many shareholders of Dominion Industrial Alcohol, have expressed dissatisfaction.

Col. J. A. Currie, M.P.P., is president of Continental Bond Corp., Dominion Industrial Alcohol and Peace Bridge Brewery. There is a similarity of argument in favor of the investment in the case of the distilling company and the brewery in that Canadian Industrial Alcohol, a strong company, has been used as a lure for investors in Dominion Industrial Alcohol, and the earnings position of National Breweries is cited in the literature suggesting the purchase of stock in Peace Bridge Brewery.

Is There Bonus Stock?

One objection to investment in Dominion Industrial Alcohol is that Col. Currie admitted that a block of stock had been given the organizers for a consideration other than cash, but he declined to say how much was in that block or whether it involved control. There is nothing in the circular issued "for private circulation only" which shows the amount of stock in Peace Bridge Brewery given in exchange for promotion efforts and it is not apparent whether the body of shareholders will control or whether control will rest, as in Dominion Industrial Alcohol, with Col. Currie and his associates.

Buyers of Dominion Industrial Alcohol shares find themselves in a pool which prevents resale of the stock. As no pool is mentioned in the prospectus of Peace Bridge Brewery it is assumed that there is no pooling arrangement.

This prospectus "for private circulation only" says that the brewery license acquired by the company is of considerable value because the Ontario government will issue no more licenses. The brewery from which the license has been obtained is "located in an inland town in Ontario, Canada." Why, it might be asked, is not the name of the town and the brewery mentioned?

Directors of the company, according to this circular, are Col. Currie, William J. Simon, president of the William Simon brewery, Buffalo; Julius C. Schultz, Buffalo; William Flett, M.P.P., Toronto; W. I. MacTavish, A.M.E.I., R.P.E.O., Toronto, and L. D. Wilson, secretary-treasurer, Toronto. Col. Currie is president and William J. Simon is vice-president. The secretary-treasurer is an officer of Col. Currie's Continental Bond Corp.

Following is a table which shows the current market prices of various brewery issues, with some details of their capitalization. Cosgraves, in the subjoined list, is a stock which has been on the market for some time, is an operating brewery and is now paying dividends.

	Authorized Capital	Issued or to be be issued	Price per Share
Sleeman's	$500,000	3,800	100.00
Can. Brew. Corp.	150,000 shs no par $30	100,000 shares	†28.00
Tor. Brew & Malt.	120,000 shs. no par	75,000 shares	12.00
Reinhardt's	50,000 shs. no par	......	1.00
Cosgrave's . . .	$1,000,000 par $10	1,000,000	6⅞x

xListed on Toronto and Montreal Curb.
†Listed on Toronto Curb.

About 90 per cent. of the $3,522,167 worth of fish caught in 1926 in the fresh waters of the lakes of the Prairie Provinces, found a ready market in United States cities.

AUTO PRODUCTION REGISTERS GAIN

Apparent Consumption For First Quarter Totals 44,627

For the first time this year, monthly production of automobiles in Canada during March exceeded output for the corresponding period a year ago. According to a report of the Bureau of Statistics, 22,623 cars of all grades, having a sales value f.o.b. plant of $14,929,794, were turned out. This output represented an increase of 18 per cent. over February production of 18,655 units valued at $10,797,199 and was slightly higher than the output of 22,374 units valued at $14,133,229 in March of last year. Of the total production during March, 5,389 cars were produced for export and the balance, or 17,234 cars, were intended for sale in Canada.

Compared with February figures, production in March of each type of car, with the exception of trucks, taxicabs and buses, showed an increase. Chassis showed the greatest relative improvement, by advancing to 2,720 from 1,911, a gain of 42 per cent.; closed model passenger cars showed the best gain numerically at 12,896 as against 9,062; and open passenger cars rose to 5,400 from 4,356. Truck production declined to 1,606 from 3,323, a loss of 52 per cent., and only 1 bus was made as against 3 in the previous month.

Customs' records for March show that 4,397 cars valued at $4,015,391 were imported into Canada during the month and that 9,106 cars valued at $3,837,478 were exported during the same period. Apparent consumption of cars in Canada during March amounted to 21,631 cars as determined by adding the imports of 4,397 to the production of 17,234 made for sale in Canada. For the first quarter of the year the apparent consumption, thus computed, totaled 44,627 cars.

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Copper Hill Mines, Limited

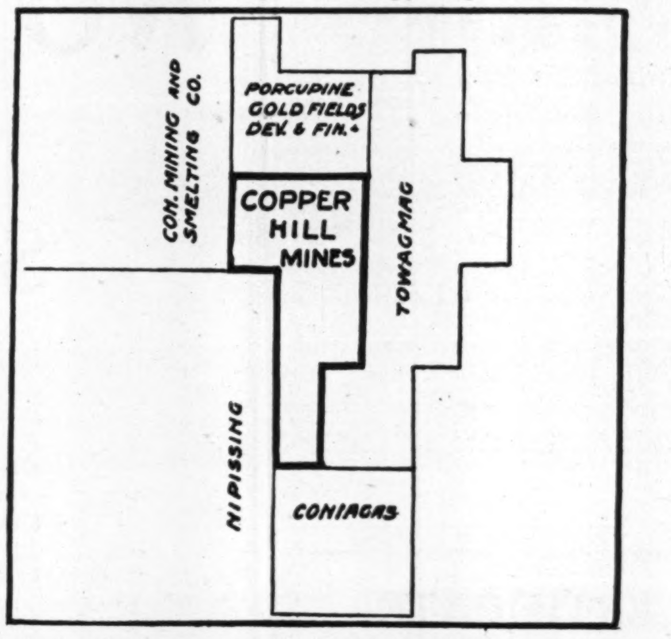
(No Personal Liability)

Shares, $1. Par Value Capital, $3,000,000.

All vendors' shares are held by the Trust company in pool for eighteen months, assuring purchasers that there will be no interference with shares now being sold for development.

PROPERTIES

Montbray Township, P.Q.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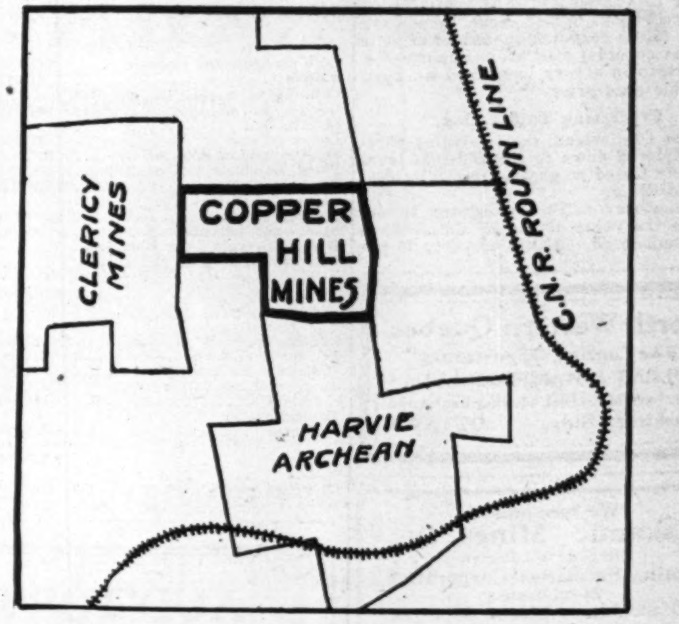
CONIAGAS

Dufresnoy Township, P.Q.



Engineers of repute express the unanimous opinion that Copper Hill Mines, Limited, has every possibility of quickly developing a mine on the Company's property in Dufresnoy Township, which is now being actively developed.

Work on the Montbray property will also be started at once, where it adjoins the properties now being developed by some of the most successful mining interests operating on this continent.

The Dufresnoy Property is one mile from the new Rouyn Railway, which eliminates all transportation problems. The geology is considered ideal for ore deposition. The main showing is in the centre of the property and a total length of three thousand feet could be developed before running off the property. Owing to the nature of the ore, it should obtain a preferential rate at the Smelter, which is about 12 miles away on the same railroad.

Channel samples taken over a width of 17 feet on surface show values of $11.00 per ton, and grab samples were taken indicating 11% copper, $1.60 gold and 80c in silver.

The following are excerpts from a report by J. F. B. Davies, M.E.:

"The general geology of the Dufresnoy Property of the Copper Hill Mines, Limited, is similar to that found on the Noranda, Waite-Montgomery, Towagamac, Amulet and Nipissing Mines. The large granite intrusion which extends through Clericy Township is exposed about one mile southwest of the Dufresnoy Property, and it is near this granite mass that the Harvie Archean Mines are located.

The trenches and geological features prove that the formation at the main showing extends over several hundred feet. The main showing is chalcopyrite, zinc blende in quartz and silicified rock, about 75 feet from the porphyry contact.

Under the main showing 50 feet of mineralized rock is shown in the diamond drill core and 20 feet is sufficiently mineralized with chalcopyrite to prove the existence of copper ore over that width beneath the surface."

Julius Cohen, M.E., in his report on the Dufresnoy Property says, in part:

"The geology is correct for ore deposition, and the surface showings and drillings done so far indicate large bodies of copper-bearing ore which is highly silicious and therefore desirable for smelting operations. In my opinion you have a highly desirable property that gives every promise of becoming a profitable mine."

Diamond drilling is now proceeding on the Dufresnoy Property and has proven that good ore has been found at depth. This is, therefore, not just a surface splash, but a property that promises to develop into a producing mine in the very near future. Within a month a complete mining plant is expected to be on the ground, and a shaft will be sunk to a depth of 200 feet or more and the usual underground work carried on.

As all vendors shares of the Company, with the exception of the present offering, are held by the Trust Company in pool for one and one-half (1½) years, the market for shares now being sold for development purposes cannot be interfered with.

A glance at the map shows the properties of the Copper Hill Mines, Limited, and some of its immediate neighbors whose recognition is international and some of whose shares, based upon development in this area, have reached sensational market prices.

Stock of COPPER HILL MINES, LIMITED, is a listed, negotiable security traded in now actively on the MONTREAL MINING EXCHANGE. The present market price is most attractive and we urge its immediate purchase. Success from the present mining operations indicate early and extensive profits.

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WALTON & CO. LIMITED
Members Montreal Mining Exchange
Room 912 Insurance Exchange Bldg., Montreal, Canada.

Life Insurance Funds Can be Best Managed by Trust Corporation

Life Insurance Trust is Important Development in Fields of Life Insurance and Trust Service

Looking into the hour glass of life insurance no subject stands out in stronger relief than the question of co-operation between life insurance companies and trust companies. It has come with something of a shock to insurance men to realize that ninety per cent. of all insurance money paid in lump sums upon death was squandered within seven years, and the obvious inference that second only in importance to the creation of an estate is the conservation of that estate. Primarily life insurance companies are charged with the responsibilities of creation, and in the same manner trust companies are engaged primarily in the business of conservation. Therefore it is in the co-operation of these two functions that an enormous field is opening to Canadian life insurance and trust companies.

Creating 250,000 Estates

Broadly speaking, what are the functions of a life insurance company? In the first place it will perhaps enable us to get a thorough grasp of the situation by reflecting that last year in Canada alone more than a quarter of a million prospects were successfully approached by life assurance agents, and were sold policies which on the whole averaged about $2,100 each. Each policy thus sold created an estate. In order to sell a quarter of a million people it was probably necessary to canvass another quarter million of prospects, all of whom had their attention drawn to the matter of creating an estate through the medium of life insurance. Not only those who bought insurance last year but also the one and a half million people who already possessed it, are all potential creators of estates, whether that estate be ten thousand or one hundred thousand dollars.

Preventing Shrinkage

Another function of the life insurance company is found in the fact that life insurance prevents the shrinkage of an estate by providing an immediate cash payment upon the death of the insured. It is proverbial that the wealthier a man becomes the less ready cash he has on hand, and, therefore, the more essential it is that his estate be provided with some ready money in order to meet the various expenses connected with winding up the estate and with his death. In this respect then, life insurance not only creates estates, but makes them more profitable to handle; as someone has said, it enables Canadians to die "at par."

Not only is it estimated that about two-thirds of all estates are created by life insurance, but furthermore it is quite obvious that life insurance constitutes the sole estate of the great majority of people. The very fact that as soon as a premium is paid the estate exists through the medium of life insurance, means that thousands of men who have never been able to afford to build up an estate are able to leave fairly substantial sums of money to provide for their beneficiaries. In short, then, the life insurance company is an institution which is providing the large proportion of estates which already exist, is preventing estates already existing from shrinkage, and is creating estates that otherwise would not exist at all. The question is how are life insurance companies equipping themselves to carry on this work already commenced through the creation of estates?

Insurance and Trust Companies

There has been much discussion about the relative place of the life insurance and the trust company. On one hand it is claimed that the life insurance company is primarily an institution for the creation of an estate, but should not be concerned with the conservation of the estate thus created. Then it is argued with equal emphasis that creation and conservation are complementary functions, and that having created the estate it is only right that the life insurance company should, to a limited degree, of course, provide this added protection for its policy holders. Between these two there is the middle course of co-operation, which is being successfully followed by life insurance companies both in the United States and, to a limited extent, in Canada.

Now, the Life Insurance Trust

This co-operation between life insurance and trust companies has taken many forms, but perhaps the most satisfactory way in which it can be achieved is through the life insurance trusts which were created some seven years ago in United States to overcome the difficulty mentioned above, and which bade fair to become an increasingly important and valuable part of our business structure. The life insurance trust was created because of the fact that although a life insurance company can and does handle a simple estate after the insured has died, nevertheless life insurance companies are not endowed with discretionary powers, and, therefore, any provision that the insured makes with regard to the future distribution of his estate must be definite and immutable. The trust company, on the other hand, acting through the medium of a life insurance trust, is endowed with discretionary powers for the administration of the estate. Before investigating the life insurance trust, however, let us find out what equipment the trust company has to enable it to take over the important function of administering or conserving an estate.

In the first place the trust company is a purely local institution. In Canada very few trust companies do business outside their own province, and on the whole the largest amount of business is done within a very close radius of the local office. This means a definite contact with clients and provides the background for the discretionary powers with which a trust company is endowed. Before, however, a trust company can consider itself in a position to take advantage of life insurance estates the officers of the company must be fully familiar with the function of life insurance. They must realise the need that exists to prevent the shrinkage of an estate; they must realize the place that life insurance holds in providing for that need; they, of course, will understand the necessity of providing inheritance taxes, and the various provincial laws regarding the position of life insurance and its suitability for the payment of death duties, succession taxes, etc. Trust company officers should also be able to suggest to their clients the value of life insurance in creating an estate, its use for the amortization of mortgages; for the provision of charitable bequests; and for the various liabilities incident to the settlement of an estate. Then again its use and value as business insurance, (that is the protection of a corporation against the death of its chief executive), could well be understood by trust companies with profit both to themselves and their clients.

Wealthy Men Have Little Cash

One instance of the value of such knowledge is in regard to the fact that wealthy men invariably lack ready cash. American experience shows that the average wealthy man leaves only ten per cent. of the liquid assets necessary to provide for death administration expenses, including those of sickness and death and taxes. In order to adequately protect estates and to leave them in as sound a position as previous to the death of their clients, a thorough knowledge of the functions of life insurance is prerequisite to the officer of a modern trust company. Where then does the life insurance trust come in this scheme of things?

Funded and Unfunded Trusts

The life insurance trust is an arrangement whereby life insurance policies are made payable to an institution for the benefit of those whom it is desired to protect. It combines the advantages of complete protection of a settlement plus the flexibility which is the natural result of discretionary powers. Life insurance trusts may be divided into two kinds: the first is called a funded trust, and the second an unfunded trust. A funded trust is one where the interest from deposited securities maintains the premiums on the deposited insurance policies, the proceeds of which at maturity are placed at the credit of the trust estates. In other words the owner of the life insurance policy, in addition to depositing the policy with a trust company, deposits also securities to be invested by the company with directions that the proceeds from these securities be used in paying the premiums and keeping them alive until his death. After his death the amount realised from the policy is added to the trust fund and the income from the whole trust in cash or securities originally deposited is used for the purposes of the estate.

The unfunded trust is used by men who have saved perhaps $10,000 which they wish to turn over to a trust company as the basis of an estate. By means of the life insurance trust agreement this $10,000 will enable the trust company to take a new $20,000 life insurance policy which will be added to the $10,000 already deposited. In this way an estate of $30,000 is created immediately in case of the man's death.

Drawing Up Trust Agreement

The second form of trust, the unfunded or simple trust, is similar to the funded trust in that it has the same purpose, namely the making of a life insurance policy payable to a responsible trust company instead of to his wife or his children or relatives. If a man already has insurance he will arrange with the insurance company to change the beneficiary named in that policy into the name of some trust company, in trust for his wife and children, under an insurance trust agreement. In like manner he may request that any new policy which he cares to take out be issued in the same way. The difference between these two kinds of trust lies in the fact that in an unfunded trust the insured himself attends to the payment of premiums and the functions of the trust company do not really come in until after the death of the insured. What then are some of the advantages of a life insurance trust?

Chief Advantages of Trust

Perhaps the chief advantage of the life insurance trust is the fact that it creates a definite link between the life insurance and the trust companies. It is a definite form of expressing the co-operation which is plainly necessary between these institutions which create and conserve estates. It has taken its place as a very important factor because of the fact that it allows either full or restricted authority for the distribution of an estate. It is perhaps the simplest and most effective form for enabling a trust company to exercise its discretion in carrying out the plans and wishes of the creator of the estate. Another advantage is that the insurance trust avoids the necessity of a complicated will in regard to the proceeds of an insurance policy. By the simple expedient of naming the trust company as beneficiary the details of settlement can all be arranged and do not have to be probated, which would be the case if a settlement was made by means of a will. Furthermore a settlement of this nature can not be contested, a feature which is of considerable value to many men.

Is Very Nominal

Contrary to the general idea the cost of life insurance trust is as a rule very nominal, and should well repay the insured in the assurance that it gives that a proper and equitable settlement will be made after his death.

Still another feature of these insurance trusts is the fact that money so put aside is free from the claims of creditors, and assures the beneficiaries of an adequate settlement even though business reverses may occur in the meantime. What place then has this life insurance trust in the Canadian life insurance plan?

Generally speaking, the average Canadian trust company is just standing on the threshold of co-operation with insurance companies by way of a life insurance trust. They are just beginning to realize the value of and meaning of the phrase "insuring insurance," and as yet there has been no active propaganda on the part of trust companies creating business of this type both for themselves and the insurance companies. It has been said that in the United States "Time was when the trust company was the shy maiden being wooed by the young insurance companies, but that to-day the trust company is the brazen hussy making violent love to the ambitious young life insurance company." As far as Canada is concerned the trust company is still the shy young maiden, but signs are not wanting that this state of affairs will not long continue. How about the life insurance company?

What Life Companies Do

Canadian life insurance companies are at present following two distinct lines of action in this regard, both of which are perhaps intermediary stages in a definite process of evolution.

The policies of old companies have for many years contained various instalment options, partly as a result of legislation provision, and partly as a recognition of the increased service that should be given to clients by insurance companies in the conservation of their policies and estates. The standard provisions are as follows:

"I request and authorize the company to reword the above and alter the same as it deems best with a view to give effect to the intention thereof as far as the company can, and is willing, and to include in the declaration such other provisions as it may think advisable.

"This request shall have no legal effect on the policy or the beneficiaries thereunder, and shall confer no rights or benefits as I have not yet concluded to declare or appoint as herein suggested."

Mean Automatic Re-investment

These provisions mean an automatic investment of the proceeds of a policy at a fairly good rate of interest with the funds becoming part of the investment of the company and realizing the rate of interest earned on the assets as a whole. Furthermore such proceeds are not subject to fluctuation in value, as might be the case if they were invested in specific securities allocated to each matured policy.

One Canadian company has developed this part of their business in particular and prescribes two forms for the use of its policy holders. The first form is merely a request from the insured to the company to prepare for him a declaration for his signature, this declaration to contain the terms of a certain specified settlement which he has briefly outlined in his request. It is intended that the request need not be written in technical form but that it merely states the intention of the assured in his own words. This form has no legal value and its main clauses are as follows:

(a) a provision for leaving the proceeds on deposit, the income therefrom

(Continued on page 24)

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The issue having been oversubscribed, this advertisement appears as a matter of record only.

NEW ISSUE

$200,000

Consolidated Pipe Company
Limited

7% Cumulative First Preferred Stock
Carrying a Bonus of 1/5 share of Common Stock with each share of Preferred

The Preferred Stock has equal voting rights with the Common and is preferred as to Capital to the extent of 105% and accrued Dividends. No Shares or bonds ranking senior to the Preferred stock can be issued without the consent of two thirds of the Preferred shares.

The Company has no Bonds authorized or outstanding.

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Two New Processes
Now Revolutionizing the Pipe Industry

Plant being doubled — The Consolidated Pipe Company, Limited, has acquired the rights for Canada for the manufacture of Concrete Pipe by Centrifugal process under the Moir-Buchanan and Stac patents, and also has under option the waterproofing process governed by the Bille-Ligonnet patents.

The company has established a plant on the C.P.R. near Montreal to manufacture pipe under these rights for the Province of Quebec. Similar plants will be established elsewhere or the rights for the other Provinces disposed of as may be deemed advisable.

Although in operation for only six months, already the demand for the company's product has been such that it has been necessary to double the original capacity of the plant.

Huge success in other countries — The Moir-Buchanan process is a British invention and has been developed with great success in Great Britain and Australasia. The Stac process is a French invention. In three years no less than ten factories have been established in France. It has also proved successful in Spain, Belgium, and in other countries.

In fact, the manufacture of Concrete Pipe by centrifugal action—as represented by the Moir-Buchanan and Stac patents—has practically displaced all other methods in the countries in which it has been developed.

Superiority of Product — The primary products manufactured are such articles of common use as sewer, drain and water pipe.

The characteristics of pipe made by the Patents controlled are great strength, density, impermeability, resistance to internal and external pressure and to agents of decay, uniformity of dimensions, and excellence of appearance.

New Processes make larger earnings possible — From the production of only 2,200 feet per day of mixed sizes of sewer pipe (the present capacity of the plant) and without taking into consideration profits which will accrue through developments in other Provinces through subsidiaries or allied companies, or from the production of water pipe, Mr. J. H. Sherrard, the President, estimates the annual Net Earnings will be $130,000. This estimate is based on actual business in sight with production costs that have been proved during the six months the company has been in operation and sales prices considerably below those of any other sewer pipe on the market.

A survey of the market indicates a demand far in excess of the present planned production.

The estimated Net Earnings are over nine times Preferred dividend requirements and nearly $20. a share on the Common Stock after Preferred dividends.

IT is particularly in a new industry such as this that it is possible to establish earning power at the high level indicated by the Consolidated Pipe Company at so early a stage of development.

After a thorough examination of the entire undertaking and its possibilities from the time of its inception in Canada, we do not hesitate to recommend this security as an investment combining generous income return with an exceptionally attractive opportunity for enhancement in value.

PRICE: $100 per Share to return 7%
Carrying a Bonus of 1/5 of a share of Common Stock with each share of Preferred
Fractional shares of Common Stock will be adjusted at $50 per share.

We shall be pleased to supply any further information desired. Fully descriptive circular sent on request.

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WHEN thinking of a Will, think of The Standard Trusts Company as one competent to act as Executor and properly administer the Estate entrusted to it.
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Funds invested; interest and rentals collected, and all kinds of Agency and Trust work performed.

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Official Administrators for Judicial Districts of Dauphin, Man., Saskatoon and Kindersley, Sask., and Wetaskiwin, Alta.

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1. A bond issue constituting a reasonable proportion of the value of the property.
2. When the equity behind the bonds is owned by individuals or interests who can and will protect their investment in the property.

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Forest Fires Destroyed Over $7,000,000 of Timber; Burned 1,800,000 Acres

The Year 1926 Saw 5,500 Forest Fires in Canada

The forest fire situation in Canada during 1926 was again a very serious one. There were marked contrasts in fire hazard conditions between the east and the west and consequently wide differences in the total fire losses in the two parts of the Dominion. In eastern Canada both the spring and fall were cool and rainy so that new low records for forest fire losses were established. A midsummer period of fire hazard occurred in the east generally but it passed without any great damage being done. In Western Canada, 1926 closely followed the two previous years, both in the intensity of the hazard and in the fire losses. Danger conditions continued, generally, throughout the season and the scant precipitation afforded little relief from early spring to the late fall.

According to figures prepared in the Forest Service of the Department of the Interior, there were 5,529 forest fires in Canada last year which burned over a total area of 1,824,015 acres. The total gross damage and loss is estimated at $7,468,343. The following table gives the figures for the year with the averages for the five-year period, 1922-26:

	1926	Average 5 years 1922-1926
Total number of fires	5,529	6,203
Total area burned (acres)	1,824,015	3,024,207
Merchantable timber		
Area burned (acres)	574,716	742,772
Timber burned M.B.F.	2,347,614	4,105,690
Estimated stumpage value	$4,208,456	$9,743,070
Young growth		
Area burned (acres)	624,801	891,254
Estimated value	$1,244,266	$2,834,517
Cut-over		
Area burned (acres)	239,334	500,944
Estimated value	$ 181,000	$ 533,730
Non-forested		
Area burned (acres)	477,159	961,967
Other property burned (value)	$ 967,335	$1,013,447
Actual cost of fire-fighting	$ 866,286	$ 782,131
Total gross damage and loss	$7,468,343	x$14,214,646

xThis high average is due to the exceptional losses in 1923, when the total losses were over $40,000,000. The average for the last three years was $6,531,077.

Advance in Protection Methods

The advance in fire-fighting methods in the past decade has been even greater in our forests than in our cities. True, the cities have their electric alarms, motor equipment, and aerial ladders, but the different forest services and protective associations, which ten years ago were largely restricted to foot and canoe patrols and a few hundred miles of telephone line, now have scores of lookout stations, thousands of miles of telephone wire, and make use of the radio and the aeroplane.

The great advance that has been made in forest fire fighting in the past few years has been the separation of fire-detection from fire-suppression. Formerly there could be scarcely any division of labor. Rangers were assigned to long beats, which might take a fortnight to cover, and patroled these singly or in twos, as circumstances dictated. It will thus be seen how limited would be the protection so afforded. Also, when the patrol discovered a fire too large for one man or two men to handle, it might take a week before headquarters could be communicated with and a force of men brought to the scene.

Lookout Stations and 'Planes

Contrast those methods with plans followed in the best equipped forests to-day. These forests fall into two classes: (1) those where fires are detected from lookout stations and, (2) those where detection is accomplished by the aeroplane patrol. In the first class a number of lookout stations are located on mountain tops or in high towers, and all stations have telephone connection with the forest headquarters. During the danger season a lookout man, equipped with fire-finder and map of the forest, is constantly on duty. When a fire is sighted he at once telephones headquarters, giving its location. Through the forest run roads and trails, cut by the rangers in the slack season, so that, upon receipt of an alarm, headquarters is able to send at once, by motor truck or on horseback, a party to fight the fire.

In the forests covered by hydro-aircraft patrol, roads and trails are often infrequent or lacking, but myriad lakes provide landing places. The detection planes which make regular patrols are fitted with radio apparatus. When a fire is detected the message as to its location is sent back to the base. Here a larger plane, called the suppression plane, is kept in readiness, and upon receipt of the report this is flown to the scene of the fire with a number of fire-fighters and their equipment.

Use Light Gasoline Pumps

In addition to the advance in fire-fighting methods the equipment has also been much improved of recent years and includes gasoline-operated pumps which, though light enough to be carried on a man's back, have yet sufficient capacity to pump water through more than half a mile of hose.

In the national forests the aeroplane work is carried on by co-operation between the Royal Canadian Air Force and the Dominion Forest Service. In provincial forests other arrangements are in force, but, wherever introduced, a giant step forward has been made by the use of the aeroplane. It might be thought that with such progress little would remain to be done as regards forest fire protection in Canada, but what is urgently needed is that these methods which now apply to only a small part of our forests be extended until all are covered. This need is causing prominent citizens in all walks of life to give earnest support to the various forest authorities in their fire-protection efforts.

G. K. PAGE,
whose appointment as general manager and director of the Willison Neely Corporation, Limited, is announced. Mr. Page was formerly an executive of the investment banking house of White, Weld & Co.

Book Reviews

Soviet Russian Trade Book

So little is known of the economic progress of the Union of Soviet Socialist Republics, more commonly known as the U.S.S.R., as well as the operation of internal and external trade, that the Board of the State Trading Import and Export Office has published a large volume entitled "Export, Imports and Concessions of the Soviet Union." This is a book of over 1,000 pages, written in Russian, German, French and English and covers both theoretical and practical trade as followed by the Soviet authorities.

The volume contains a mass of information on practically every subject connected with the trade between Canada and Russia. The monetary system of the Soviet Union is fully explained, the export trade is dealt with in a clear and complete manner, while imports are covered in detail. A chapter is devoted to concessions in the U.S.S.R., which is both interesting and informative. The same section also deals with the entry of foreigners to the U.S.S.R. and gives examples of the permit form which each person desirous of entering the country has to fill in. The customs tariff regulations are also given in detail, while there is a list of the various central governmental institutions and directorates.

On the whole, the book is essential to anyone trading or desirous of trading with Russia. The interest evinced by Canadian business circles in reliable information on the economic financial situation of the Union of Soviet Republics and especially on Soviet foreign trade, has prompted the Trade Delegation of the U.S.S.R. in Canada to secure a number of these books which they are holding for distribution. The regular price of this volume is $10, but it can be obtained for $6 if ordered through the U.S.S.R. Trade Delegation in Montreal.

Burbidge is Branch Manager

The North American Life announces the appointment of G. C. Burbidge as branch manager at Ottawa. For the past two years Mr. Burbidge has been district manager at Windsor. H. M. Ellison, district manager at St. Thomas, has had the counties of Kent and Essex added to his territory, with headquarters at Windsor.

LIFE INSURANCE FUNDS CAN BE BEST MANAGED BY TRUST CORPORATION

(Continued from page 23)

to be paid to certain beneficiaries with a reversion of the principal to certain other beneficiaries.

(b) a guaranteed number of instalments, either monthly or annually, and based on a valuation rate of interest of 3 per cent. or 3½ per cent.

(c) a life income to the beneficiary either on an annual or monthly basis with a certain number of instalments guaranteed in any event.

The second form is a properly worded declaration giving the insurance company full and legal authority to disburse the proceeds of the insurance according to the desires of the insured. This form, of course, can be changed at any time previous to the death of the insured but once the insured dies there can of course be no commutation of the clauses as set forth.

Limitations of Responsibility

This brings out very clearly the limitations of the company's responsibility as to the payment of settlement. In its function as a life insurance company the responsibility as to payment is limited to payment of certain amounts to certain specified beneficiaries on certain specified dates. There is no further responsibility, nor should there be any assumption of discretionary powers. Furthermore in order that this settlement should become effective it is imperative that the clauses be inflexible and that there be no commutation or rearrangement except in certain cases, when the insured has provided that there shall be a new arrangement after a certain period of years has elapsed. Furthermore it is of course obvious that complicated settlements are impossible under a life insurance settlement policy, the chief difficulty in this case being, of course, the inflexibility of the contract.

Special Service on Estates

There is, however, another idea which is being worked very successfully by one of the largest Canadian companies. This idea depends for its success upon the personal attention of a man who has an aptitude for estate work, and who has preferably a legal background.

The work consists of very definite co-operation with the larger trust companies, and success is attributed largely to the complete preparation which is applied to their clients for the trusteeing of a man's estates and life insurance proceeds before the trust company is even approached on the matter. As a result the trust officer has very little work to perform beyond the incorporation of his own verbiage in the papers, since all memoranda usually cover every point which has previously been discussed with the prospect.

Another important phase of this particular method is that there is no following of the common practice of simply obtaining a man's life insurance policy, after convincing him in a general way of the desirability of trust company management, and then handing these policies (together with such new insurance as they are able to place) to the trust company with the request that an agreement be drawn up. This plan, on the contrary, is to eliminate any thought about additional life insurance in the early conferences with the prospect, and to endeavor to impress him with the great value of the service which will be performed by a complete analysis of his affairs. By this plan the testamentary estate is usually brought into the trust, and this estate usually amounts on an average to about three times as much as all the life insurance carried. The value of this plan is that trust officers are naturally pleased since the trust is usually made three or four times as much as it would be if only the life insurance were trusteed. Such a procedure is, however, only possible under the guidance of a fully qualified attorney, and is beyond the ken of the average underwriter.

Big Estates Are Analyzed

It is interesting to note that the average gross value of the estates analyzed under this plan from this particular office, excluding life insurance, were a little over $200,000 each. It was found that on an average the amount of cash required upon a man's death for inheritance taxes, administration expenses, death and funeral expenses, etc., amounted to about 16 per cent. of the gross value of the estate. In about 55 per cent. of the cases at the time of beginning the analysis there was no life insurance carried with the company concerned, and the total life insurance amounted to about 19 per cent. of the gross value of the estate. On an average the additional insurance placed amounted to about 14 per cent. of the gross estate, leaving total life insurance carried upon completion of the work equal to about 33 per cent. of the total value of the testamentary estate, omitting life insurance. All these cases were, of course, prospects for additional insurance in the future, and on account of the rapid changes in inheritance tax laws, as well as the inevitable changes that must occur in the character of the estate, personnel of heirs, the clients are always advised to have another complete analysis made at least every three or four years.

Trust Company is Ideal Executor

This is perhaps an exceptional instance and for the most part the trust company is the ideal executor. Serving as it does the local community it is perhaps the nearest approach to personal ability that can be secured for the management and growth of an estate. However, there is one fundamental need that underlies any form of co-operation that is undertaken, and that is that the officers and underwriters of trust and life insurance companies must take upon themselves the responsibilty of understanding thoroughly each other's functions and capabilities. Based on sound knowledge, co-operation, whether through the life insurance trust or not, is assured to the mutual benefit of each, and the extent to which each should co-operate becomes a matter of personal adjustment which can easily be adapted to suit the particular need of the moment.

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ANNUAL REPORT

For the Fiscal Year Ending February 28, 1927

To the Shareholders:

Your Directors have pleasure in submitting the Accounts of The Company (and its Sudsidiary Company) for the Seventh Fiscal Period of the Company's operations (i.e., from the 1st March, 1926, to the 28th February, 1927).

The Profits for the Year amounted to			$4,063,211.04
To which falls to be added:—			
The Balance brought forward from the previous year			1,921,995.43
			$5,985,206.47
From this has been deducted:—			
Bond Interest		$ 905,368.76	
Allowance for depreciation of the Company's Properties and depletion of Timber Limits		1,541,262.93	
Distribution among Shareholders:			
Preferred 6½%	$455,000.00		
Common 2%	853,664.00		
		1,308,664.00	
			3,755,295.69
Leaving a Net Balance to be carried forward of			$2,229,910.78

The construction work in connection with the doubling of the capacity of the Company's Mill at River Bend is proceeding satisfactorily.

The general condition of the physical Assets of the Company has been well maintained.

The freehold and leasehold Limits of the Company have been increased by approximately 1,000 square miles.

During the year under review the returns from the Lumber branch of the business again show satisfactory profits with practically no stock on hand. In the last two months of the Fiscal Period the earnings from the Paper Mills fell short of previous months, on account of the necessity of curtailment in output and it would appear that this condition of the Market is likely to remain with us at least during the current year.

The Auditors, Messrs. Creak, Cushing & Hodgson, C.A., and Messrs. George A. Touche & Co., C.A., retire at this time and, being eligible offer themselves for re-election.

On behalf of the Board,
JOHN H. PRICE,
President.

Quebec, 25th April, 1927.

CONSOLIDATED BALANCE SHEET
At 28th February, 1927

ASSETS

CURRENT:		
Cash on Hand	$ 3,600.00	
Cash in Hands of London Agents	50,129.70	
Accounts Receivable, less Provision for Bad and Doubtful Debts	1,314,539.90	
Inventories of Paper and Lumber (Manufactured and Partly Manufactured), Raw Materials, Stores, Supplies, etc.	5,810,321.14	
Advances on account of Logging Season 1926-1927	2,197,970.74	
		$ 9,376,561.48
INVESTMENTS:		1,935,180.65
CASH IN HANDS OF TRUSTEE FOR BONDHOLDERS:		224,730.02
FIXED:		
Real Estate, Freehold and Leasehold Timber Limits (Less Allowance for Depletion), Water Powers (Developed and Undeveloped), Mills and Milling Plants, etc., including Moveable Plant, Tools and Equipment		63,651,667.90
DEFERRED CHARGES TO OPERATIONS: (Insurance, Taxes, etc.)		245,172.01
		$75,433,312.06

Approved on behalf of the Board:
JOHN H. PRICE, Director.
J. LEONARD APEDAILE, Director.

LIABILITIES AND CAPITAL:

CURRENT:		
Bank Overdrafts	$ 254,627.71	
Bank Loans (Secured)	1,095,000.00	
Other Loan	2,000,000.00	
Accounts Payable	748,631.85	
Bond Interest and Other Accruals	228,585.43	
		$ 4,326,844.99
FIRST MORTGAGE TWENTY YEAR SINKING FUND GOLD BONDS:		
Authorized	$25,000,000.00	
Issued: Series A. Six Per Cent. due 1st February, 1943	$15,000,000.00	
Less: Redeemed and Cancelled	355,000.00	
		14,645,000.00
RESERVES:		
General Depreciation	$ 4,246,977.82	
Insurance	183,448.58	
Employees' Pensions—Uninvested	117,929.89	
		4,548,356.29
CAPITAL STOCK:		
Authorized:		
100,000 Shares of $100.00 each 6½% Cumulative Redeemable Sinking Fund Preferred Stock	$10,000,000.00	
500,000 Shares of $100.00 each Common Stock	50,000,000.00	
	$60,000,000.00	
Issued:		
70,000 Shares of $100.00 each 6½% Cumulative Redeemable Sinking Fund Preferred Stock, fully paid	$ 7,000,000.00	
426,832 Shares of $100.00 each Common Stock, fully paid	42,683,200.00	
		49,683,200.00
PROFIT AND LOSS ACCOUNT:		2,229,910.78
		$75,433,312.06

NOTE:—Contingent Liability in respect of Bills under Discount $7,488.69.

AUDITORS' REPORT

We have examined the Books and Accounts of Price Brothers & Company, Limited, for the year ended 28th February, 1927, and in accordance with Section 1, Clause 6030d (2) of the Companies' Act (1920) of the Province of Quebec, we report that we have obtained all the information and explanations we have required.

The Inventories have been certified to us by responsible officials of the Company. No provision has been made for Income Tax for the year ended 28th February, 1927, payment of which is not due until 30th April, 1928.

We further report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 28th February, 1927, according to the best of our information and the explanations given to us, and as shown by the Books of the Company.

CREAK, CUSHING & HODGSON, } Chartered Accountants,
GEORGE A. TOUCHE & CO. } Auditors.

Dated at Montreal, 14th April, 1927.

PROFIT AND LOSS ACCOUNT
For Year Ended 28th February, 1927

To Bond Interest	$ 892,943.76
" Premium on Bonds Redeemed	12,425.00
" Allowance for Depreciation and Depletion	1,541,262.93
" Dividends Paid—Preferred Stock	455,000.00
" Dividends Paid—Common Stock	853,664.00
" Surplus per Balance Sheet	2,229,910.78
	$5,985,206.47
By Surplus at 28th February, 1926	$1,921,995.43
" Profit from Trading Account	4,063,211.04
	$5,985,206.47